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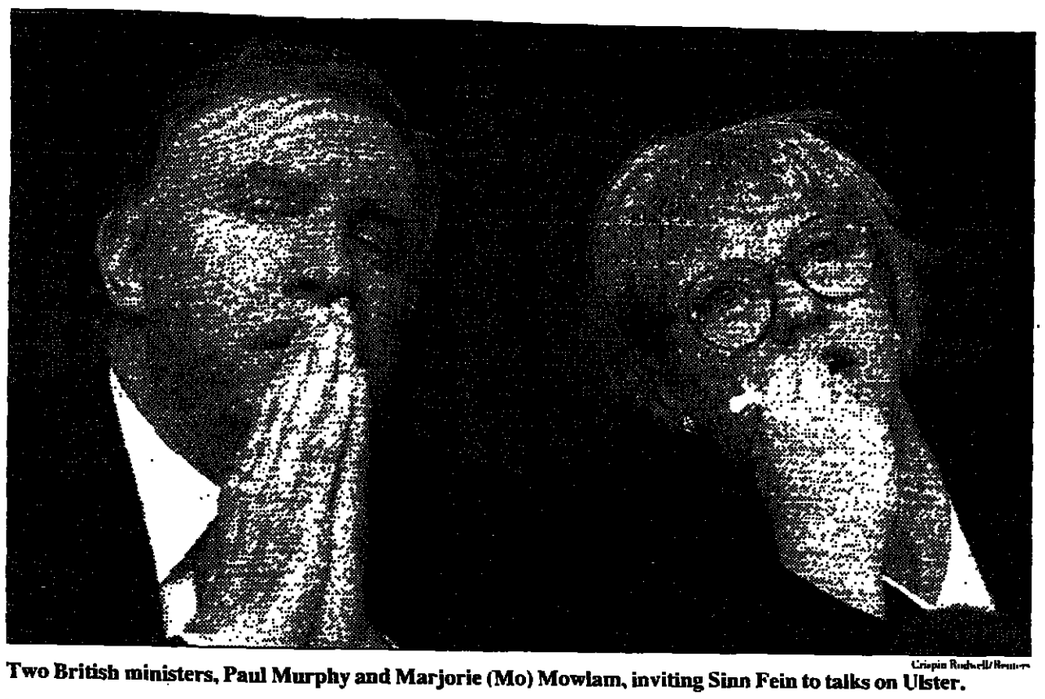
TODAY: MONEY Airlines, Page 15



Two British ministers, Paul Murphy and Marjorie (Mo) Mowlam, inviting Sinn Fein to talks on Ulster.

Crispin Rodwell/Reuters

IRA Seated at Peace Table

First British Invitation to Join Talks Is Accepted

By James F. Clarity
New York Times Service

BELFAST— For the first time since sectarian violence erupted 28 years ago in Northern Ireland, the British government invited representatives of the Irish Republican Army on Friday to participate in formal peace negotiations.

Marjorie (Mo) Mowlam, the Northern Ireland secretary and the highest official in the British province, said she had decided, after consulting with security officials and Prime Minister Tony Blair, that the IRA cease-fire that was renewed on July 20 was genuine. That persuaded her, she said, to invite to the talks Sinn Fein, the IRA's political wing.

Sinn Fein accepted the invitation immediately and will enter the formal negotiating process in Belfast on Sept. 9 at the ceremonial resumption of the talks. They have been stalled for 14 months.

"I have reached this decision after careful consideration of all the circumstances," Ms. Mowlam said at a news conference in Belfast, where the talks are to be held, starting Sept. 15.

"In reaching it I have considered carefully all of the evidence available to me about the restoration of the IRA cease-fire and about Sinn Fein's commitment to exclusively peaceful methods and their wish to abide by the democratic process."

Sinn Fein will first be required to make a formal public declaration that it is committed to a peaceful settlement of the warfare between Northern Ireland's Protestant majority and its Catholic minority. Deeply involving British security forces, the warfare has killed 3,225 people since 1969.

Specifically, Sinn Fein will have to state that it adheres to the principles put forth in January 1996 by the chairman of the talks, George Mitchell, a former U.S. senator from Maine.

The Mitchell principles say, in part, that to be admitted to the talks the parties must "affirm their total and absolute commitment" to "democratic and exclusively peaceful means of resolving political issues."

Participants must also agree to "renounce for themselves and to oppose any effort by others to use force or threaten to use force to influence the course or the outcome of all-party negotiations," and "to resort to democratic and exclusively peaceful methods in trying to alter any aspect of that outcome with which they may disagree."

This would mean, in effect, that Sinn Fein would have to renounce the IRA

See TALKS, Page 4

Panic in Stocks Infects Hong Kong

By Philip Segal
Special to the Herald Tribune

HONG KONG — Foreign investors stampeded out of Hong Kong on Friday in the territory's busiest trading day ever, their confidence in Asia shaken by rising interest rates to ward off currency speculators and aggravated by Malaysian rules that make it harder to sell stocks.

Despite surging to a series of record highs this month, the blue-chip Hang Seng index is now up just 5 percent so far this year, having fallen 741 points, just shy of 5 percent, on Friday alone, to 14,133.08.

From the opening of the day's trading, mutual fund managers were fearful that mass redemptions by investors would create the need to raise money by selling stocks. The redemptions came amid investor insecurity that has spread throughout the region, affecting stock markets from Bombay to Sydney.

"Managers have probably sold a lot already in Southeast Asia, so inevitably they sell Hong Kong," said Mark Edwards, one of the managers of the T. Rowe Price New Asia Fund.

"I talked to three managers this morning," said James Osborn, sales director at ING Barings. "Two are forced sellers of Hong Kong from redemptions."

Many Western mutual funds have held blue-chip stocks here over the past year or more for their easy convertibility into cash — the most successful Asian funds have tended to be heavily overweighted in Hong Kong stocks.

But with the explosion of retail trading interest in smaller shares and China-

See MARKETS, Page 4

A U.S. Warning To Bosnian Serbs

The United States would support the use of force by NATO troops to protect Biljana Plavsic, president of the Bosnian Serbs, if hard-liners try to topple her by force, U.S. officials said Friday.

The warning came as Robert Gelbard, the U.S. envoy to Bosnia, accused Bosnian Serb extremists of inciting attacks on Western troops. He warned that the West would act forcefully to stop them. Page 2.

Algerian Night of Slaughter Reported to Leave 300 Dead

By Charles Trueheart
Washington Post Service

PARIS — More than 300 Algerian civilians were murdered in the worst single night of slaughter in five years of Islamic fundamentalist insurgency against the Algerian government, reports said Friday.

According to witnesses' accounts from the site of the massacres Thursday night on the southern outskirts of Algiers, rampaging guerrillas decapitated many of their victims and perched their heads on walls and doorsteps as a mute warning to the survivors. An Agence France-Presse photographer reported seeing stacks of burned bodies in the Sidi Moussa district of southern Algiers.

The Algerian government acknowledged Friday that 98 people had been killed and 120 others wounded in the attacks on three villages in Blida Province, and it vowed to "struggle without mercy against the barbarous criminals until their eradication."

Villagers and hospital workers, however, told news agencies that the number of dead was much higher than the official figures.

The killings on Thursday followed a grisly surge of terrorist attacks — railroad and market bombings, roadside executions and random throat-slitting — in Algeria this month.

Estimates of the summer's death toll, never precise in the climate of fear and government secrecy that prevails in Algeria, have been upward of 1,500, with more than 400 dead just this week. Women and children are routinely among the victims, often found disemboweled or decapitated or both. Abductions of young women are also common.

Less than two weeks ago, President Liamine Zeroual, a former general backed by the military, declared on state television that "terrorism is living its last hours in Algeria."

Human rights groups and other informed observers believe that as many as 100,000 civilians may have died since the current guerrilla war began in 1992. In January of that year, military rulers canceled a second round of elections that would have installed the fundamentalist Islamic Salvation Front, a party since banned, in power in the

See ALGERIA, Page 4

One for the Books

Japanese History Teacher Scores Partial Victory on Wartime Truth

By Velisarios Kattoulas
International Herald Tribune

TOKYO — A prominent historian won a symbolic victory against government censorship on Friday when the Supreme Court ruled that the removal from a school textbook of a passage about Japanese germ warfare experiments in World War II was unlawful.

The court also awarded the historian, Saburo Ienaga, 400,000 yen ($3,400) in damages. But it stopped short of ruling that government screening of school textbooks before publication was either unlawful or unconstitutional — the chief assertions in an epic legal battle that Mr. Ienaga started in 1965.

"I regret it was not a total victory," Mr. Ienaga said at a news conference packed with hundreds of jubilant supporters.

"But you cannot underestimate today's ruling," he said after his final salvo in a tenacious personal battle.

A half-century after World War II's end, Japan still screens school textbooks before publication and is deeply divided over what schoolchildren should learn about Japanese atrocities.

Mr. Ienga argues that history books that depict the atrocities are a necessary reminder of the horrors of war. By

See HISTORY, Page 4

Issei Inouye/AP

Backers greeting Saburo Ienaga after the court ruling.

America's Blues: Prosperity Is No Cure

By Richard Morin
Washington Post Service

WASHINGTON — Despite a booming national economy and a soaring stock market, most Americans remain pessimistic about the direction of the country and deeply mistrustful of the federal government's ability to solve the problems that most concern them, according to a new Washington Post-ABC News poll.

The survey found that 57 percent of those interviewed said the country was headed in the wrong direction. Three out of four said they did not trust the government or its leaders to do what is right — a view shared even by those who have prospered the most over the last four years.

Those results suggest that prosperity alone will not return the "rosy glow" of optimism and national trust that political scientists say Americans have lost in the last three decades.

"The American family is dying, crime is going through the ceiling in many places, and there are unprecedented numbers of fatherless homes," said Thomas Seaman, 46, a textile plant manager living in Hamburg, Pennsylvania, who was interviewed for the poll.

"Something's wrong," he added, even if the economy is right. Others interviewed consistently stressed various issues related to the country's moral health, as well as education, race, homelessness and immigration.

Only 4 in 10 — 39 percent — of those interviewed said the country was on the right track. Even among those who said they have personally prospered in the last four years, half said the country was seriously off course.

In follow-up interviews, many survey participants said they were satisfied with the performance of the economy but gravely concerned about other problems, particularly the moral health of the nation and its families.

Diane Beardsley, 50, a homemaker in Woodlands, Texas, worries about what her preteenage children see on television and hear on the radio. With barely concealed anger, she offered the popular song "Bitch" as just the latest example of eroding national values. "Nothing is shocking anymore," she said.

Others see divorce and out-of-wed-

See POLL, Page 4

Germans Flock to Sunny Tuscany, a Land Far (in Spirit) From Home

By William Drozdiak
Washington Post Service

CASTELFRANCO DI SOPRA, Italy — Each year by this time, the central stone piazza in this rustic hillside village overlooking the Chianti vineyards has undergone a dramatic change in character to reflect one of the most extraordinary migratory phenomena in modern Europe.

Mercedes-Benz and BMW automobiles clog every alley leading into the square. The soft cadences of the Italian language are replaced by the guttural sounds of German. Even menus of local restaurants alter their style and identity, offering such dishes as Spaghetti Bavarian Style to pander to Teutonic taste buds.

Once the special preserve of British expatriates who dubbed the region "Chiantishire," the serene, cypress-filled landscapes bounded by Florence, Siena and Pisa have become overwhelmed in recent years by a veritable army of German tourists in search of the simple pleasures of life that abound in Tuscany.

For most of the year, Germans love to disparage Italy.

They mock the country's chaotic social and political structures, they point with disdain at the inflation-ridden economy and corruption scandals that have plagued their neighbors to the south for much of the postwar era. When German commentators hypothesize about the worst-case scenario if their beloved mark is abolished in favor of a single European currency in the next two years, they gaze with horror at Italy and conjure up the specter of dealing with money like the lira — which requires payments in the millions to buy a car.

But in July and August, a curious metamorphosis occurs in the German soul that banishes all of its fear and loathing about La Vita Italiana. Suddenly, there is no more popular place to be.

As if on cue, more than 8 million Germans head across the Alps — often enduring traffic jams 80 kilometers (50 miles) long — for the sunshine, good food and effervescent lifestyles that are so lacking at home.

"A mild frenzy transforms them once across the Italian border; like salmon going upstream, they obey some deep and secret impulse of Nature," wrote the Italian journalist Luigi Barzini in describing the annual vacation pilgrimage that brings so many Germans to the country they feign to despise.

"They behave as if they had shed the roles assigned to them and the personalities bestowed on them by nature, because such roles and personalities had suddenly become repugnant and alien to them, or as if the rules of the game of life had been changed or suspended," Mr. Barzini wrote. This summer, Italians seem to be savoring the delicious irony that, for once, they are enjoying a new degree of stability and prosperity that evokes envy among Germans, saddled with a stagnant economy and weak political leadership — not to mention their inevitable bad weather.

"We almost feel sorry for the Germans," said Paolo Ciucani, an architect who helps renovate vacation houses for foreigners coming to Tuscany. "They are so wealthy yet so unhappy. Maybe they come here to try and learn how to enjoy life. But they end up going back to

See ITALIA, Page 4

North Koreans Seek Famine's Antidote

Officials From a Hungry Land Visit U.S. to See How Farming Works

By Barbara Crossette
New York Times Service

KENYON, Minnesota — Choe Kang Ryong was a long way from the scorched cornfields, ruined rice paddies and hungry, skeletal children of North Korea.

Alone and silent, he stood for a little while on the edge of hundreds of acres of healthy corn, food for the plump hogs of the Cannon Valley Cooperative. Wading into the dense, bumper crop that closed over his head, the slender North Korean reached down to crumble the soil. He felt the girth of a strong green stalk.

"They seem to like the farm," a co-op manager remarked to an American colleague.

Mr. Choe is director of seed production and management in the Agricultural Commission of North Korea. For a week, he and five colleagues — two livestock specialists, a crop production official and two economic advisers at the Ministry of Foreign Affairs in Pyongyang — are touring the United States to see how and why farming works the way it does here.

Their visit, organized by a North Korean-born American seed expert who lives in Minnesota, Pilju Kim Joo, is a first. When Dr. Joo, an agricultural consultant who has been visiting North Korea regularly since 1994, proposed the trip, it was a gamble.

But to her surprise, Pyongyang responded quickly and affirmatively.

North Korea is in a desperate situation. Two years of floods, a summer-long drought and decades of economic mismanagement by a totalitarian leftist government that thought it did not need the outside world has left North Koreans malnourished and facing famine — and the crisis has not yet bottomed out, international aid organizations say.

Seventy percent of the North Korean corn crop may already be lost, raising fears about how millions of people will get enough food this winter.

See KOREANS, Page 4

Newsstand Prices			
Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 QR
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

AGENDA

IMF and Kenya Reach Accord on Plan to Free Suspended Loan

The International Monetary Fund has reached an understanding with Kenya on measures that will allow the resumption of a crucial low-interest loan, a fund official said Friday.

The IMF suspended the $220 million loan July 31, saying that the government had failed to combat corruption and strengthen management of the energy sector.

The government of President Daniel arap Moi said it recognized the need to "address the underlying concerns."

Goodall Gondwe, the IMF deputy director for Africa, said that a team for the multinational organization, which arrived in Kenya last weekend, would recommend that the second part of the loan — $36 million — be disbursed.

In its statement, the government agreed to, among other things, collect back taxes due on tons of sugar that was fraudulently imported into the country. Page 2.

The Dollar		
New York	Friday @ 4 P.M.	previous close
DM	1.8085	1.7945
Pound	1.6205	1.6185
Yen	120.80	119.105
FF	6.0861	6.039

The Dow		
	Friday close	previous close
-69.45	7624.98	7694.43

S&P 500		
change	Friday @ 4 P.M.	previous close
-4.21	899.46	903.67

THE AMERICAS Page 3.
General Defends U.S. Mines Stance

ASIA/PACIFIC Page 5.
Sihanouk Returns to Cambodia

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Crossword ..... Page 3.
Opinion ..... Page 6.
Sports ..... Pages 18-19.

The Intermarket Page 5.

The IHT on-line www.iht.com

New Season in NFL Kicks Off on Sunday

The long road to the Super Bowl begins Sunday with 14 National Football League games scheduled. The major game is Dallas at Pittsburgh, one with many questions.

The biggest one for the Cowboys is Deion Sanders. Will his ailing back allow the celebrated cornerback to play and, if he does, how effective will he be? Page 19.

U.S. Backs Using Force To Aid Bosnian Chief

NATO Will Defend Plavsic, Officials Vow

By Doyle McManus
Los Angeles Times

WASHINGTON — The United States would support the use of NATO troops to defend the president of Bosnia's Serb Republic, Biljana Plavsic, if Serb hard-liners tried to topple her by force, according to senior officials.

"If there's an attempt to overthrow her, NATO forces are there and will not allow it to happen," Richard Holbrooke, a special envoy, said in an interview.

Another senior official said: "SFOR, the NATO-led peacekeeping force, has broad authority to protect the peace process and preventing a coup would seem to come under that. If the circumstances warrant, SFOR might find itself in that position."

A decision to send NATO troops into a confrontation between the two Bosnian Serb factions, officials added, would be made by commanders on the ground.

But the unusual signal of U.S. willingness to use military force in the struggle among Bosnian Serb leaders was a clear indication that the administration is fully committed to its new strategy of supporting Mrs. Plavsic and reducing the power of her rival, Radovan Karadzic, who is a war-crimes suspect.

At a meeting in Banja Luka earlier this month, Mr. Holbrooke, acting as a special envoy from President Clinton, asked Mrs. Plavsic a key question: Would she support the Dayton agreement's principle that Bosnia should remain united, or would she try to secede from Bosnia and join Serbia instead?

"I am a democrat and a nationalist, but I am not a separatist," Mrs. Plavsic replied, according to one official.

"Mrs. Plavsic is no saint," Mr. Holbrooke said. "But as far as we can tell, she has cast her lot with Dayton and NATO. She has crossed the Rubicon."

As for Mr. Karadzic, U.S. officials said they had concluded that it was probably impractical to try to arrest him for war crimes any time soon. But by supporting Mrs. Plavsic in her power struggle against him, they said, they are serving the main goal of U.S. policy, which is to promote a real peace in Bosnia.

"Arresting Karadzic is still a live option, but not for tomorrow," a senior official said. "How this crisis plays out could affect not only whether we arrest him, but when."

If Mr. Karadzic can be "marginalized" and restricted to Pale, the official said, the United States and its allies could simply ignore him — "unless, of course, he fell into our laps."

NATO forces were not providing personal protection for Mrs. Plavsic, officials said, and they harbored serious fears that Mr. Karadzic might try to eliminate Mrs. Plavsic either through a coup or by assassination.

A coup appeared increasingly difficult to pull off, one senior official said. The Serb military was "bottled up" by NATO troops on the ground, some police units loyal to Mr. Karadzic have been disarmed and "SFOR has a heavy presence in Banja Luka," Mrs. Plavsic's headquarters, he noted.

"One assassin's bullet, of course, could change the whole complexion of things," he added.

Andy Mettler/Reuters

AUGUST SNOW — Katharina Ritzmann, a waitress in a hotel on the Fluela Pass, in the eastern Swiss Alps, removing snow from a table on Friday, as temperatures plummeted across Switzerland.

IMF Agrees to Resume Loan to Kenya

Compiled by Our Staff From Dispatches

NAIROBI — The International Monetary Fund has reached an understanding with the Kenyan government on adopting measures that will allow the resumption of a crucial low-interest loan, a fund official said Friday.

The IMF suspended the $220 million loan July 31, saying that the government had failed to combat corruption and strengthen management of the energy sector.

In a statement, the government of President Daniel arap Moi said it recognized the need to "address the underlying concerns."

Goodall Gondwe, the IMF deputy director for Africa, said that a team for the multinational organization, which arrived in Kenya last weekend, would recommend that the second part of the loan — $36 million — be disbursed.

He said that the Kenyan Ministry of Finance had agreed to take these steps:

- Strengthen management of the energy sector.
- Safeguard the independence of the Kenya Revenue Authority.
- Ensure that the Kenya Anti-Corruption Authority will be fully independent and have a wide mandate to investigate corruption and to bring both civil and criminal actions.
- Establish full accountability with regard to past financial infractions.

In its statement, the government agreed to, among other things, collect back taxes due on tons of sugar that was fraudulently imported into Kenya.

After the IMF's suspension of the loan, the Kenyan shilling lost up to 20 percent of its value against the dollar.

Political unrest, a dozen deaths at the hands of police suppressing pro-reform demonstrations and an outbreak of unexplained violence on the Indian Ocean coast that has left at least 46 people dead continued to unsettle the Kenyan currency and to provoke flight by investors.

Mr. Moi must call general elections before the end of the year and advocates of legal and constitutional reforms before then are demanding action or, they say, they will boycott the elections.

Thousands of people fled Mombasa for a second successive day on Friday, ignoring government assurances about their safety.

Those leaving said they were frightened both of being attacked and of being caught up in a sweep by the security forces, which have arrested more than 450 people this month.

"There was no point in waiting for the security forces to arrive since most of us already tasted their brutality," said Max Okwaro as he waited to catch a ferry away from Mombasa. He said he was leaving the region and would never return.

Residents estimated that at least 40,000 of a total population of 60,000 had left the Kwale district since the start of ethnic attacks by gangs on Aug. 13.

Throughout the night, men, women and children clutching a few belongings left homes just south of Mombasa and walked to bus and railway stations in the city or pushed farther south.

"The government is doing all it can to stop the exodus," said a spokesman for the regional police force, Peter Kimanthi. *(AP, Reuters)*

U.S. Envoy Warns the Bosnian Serbs

Compiled by Our Staff From Dispatches

BELGRADE — The United States envoy for Bosnia, Robert Gelbard, accused Bosnian Serb hard-liners Friday of inciting attacks on Western troops in Bosnia, and he warned that the West would act forcefully to stop them.

Referring to the Bosnian town where the hard-line Serbs have their headquarters, Mr. Gelbard said, referring to the Stabilization Force troops:

"Pale's use of state-controlled radio and television to whip up a violent, stone-throwing mob which has attacked SFOR troops, attacked international police force monitors and other representatives of the international community, can be viewed only as an act of aggression against the international community."

"The international community will not tolerate these examples of violence, nor will it allow the undemocratic actions of the corrupt officials in Pale to derail the peace process in Bosnia," he said at a news conference.

Mr. Gelbard, who flew to Belgrade for talks with the Yugoslav president, Slobodan Milosevic, said he would travel Saturday to Sarajevo, Pale and the Banja Luka headquarters of Biljana Plavsic, the Bosnian Serbs' embattled president, under pressure from hard-liners.

In Brcko, supporters of the Serbian war crimes suspect, Radovan Karadzic, capped more than a day of riots by turning their fury on a United Nations team Friday, pelting them with stones and forcing them to withdraw.

And in the northwestern town of Banja Luka, an explosion at the railroad station killed the owner of a small shop.

There was no immediate explanation of what had caused the blast, which also seriously injured two people.

A UN spokesman, Liam McDowall, said nobody was hurt in the stoning, near the end of unrest that began Thursday and was directed against the NATO-led Bosnian peace force, United Nations police officers, reporters and other foreigners.

The UN team had been trying to determine whether it was safe for the unarmed UN policemen to return to Brcko after being evacuated Thursday.

In Brussels, North Atlantic Treaty Organization ambassadors met to review the situation.

Alliance sources said they were considering changing the mandate of the NATO-led peacekeeping force.

Robert Farrand, the West's international supervisor for the eastern town of Brcko, where the melee occurred Thursday, said the attacks on the U.S. soldiers had been planned.

"Yesterday's events were clearly orchestrated and planned from the outset — the coordinated sirens at 4:30 A.M., the two mustering points for the citizenry, the demands made by local leaders," Mr. Farrand said at a news conference in Brcko.

Brcko was reported calm early Friday, but reporters there said angry residents had damaged cars and other vehicles, including a bus, with license plates showing that they were from Banja Luka.

TRAVEL UPDATE

Austrian Tourist Trade Fears Drop in Visitors

VIENNA (AFP) — Official figures showing a 12 percent drop for July in the number of vacationers visiting Austria have prompted fears that the country's normally thriving tourist trade is in crisis.

The latest figure published by the Austrian National Statistics Office came on top of reports that showed the country had 5 percent fewer visitors and 6 percent fewer overnight stays in the first six months of the year.

Many hotel owners blame the bad weather and the austerity measures in place in many European countries for the empty hotels and restaurants.

Also, the 24 million largely German, Dutch and Italian vacationers who visit Austria each year are increasingly likely to choose hot or exotic locations.

National Airport in Washington experienced its second radar system failure in a month, forcing air traffic controllers to manually route aircraft. Until the backup system resumed working nearly two hours later, controllers spaced planes 20 miles (32 kilometers) apart instead of the more typical five miles. *(AP)*

Swissair and Malaysia Airlines have signed a code-sharing agreement for three weekly flights between Zurich and Kuala Lumpur. *(Reuters)*

Undercover inspectors in Tel Aviv are on the prowl for dog owners who fail to clean up after their pets. More than 260 people have been fined about $100 each in the past month. *(AP)*

Correction

A headline on the Americas page in Friday's editions misstated the site of Louisiana State University. It is in Baton Rouge.

BRIEFLY

Berlin Protected Libyan Suspect

BERLIN — A Libyan arrested in Rome this week on charges stemming from the 1986 bombing of a Berlin discotheque had been in a witness protection program in Berlin before disappearing last month, German television reported Friday.

Musbah Abulgasem Eter, 40, was one of five people indicted in Berlin in February, but was the only one who had not been arrested.

Justice Ministry officials have refused to comment on the case.

But Sender Freies Berlin television reported that Mr. Eter had been accepted into the Berlin police department's witness protection program after agreeing to testify against the other four.

He was put up in a guarded home in East Berlin at the end of 1996. How he slipped away was unclear, the station said.

The bombing in 1986 killed two U.S. soldiers and a Turkish woman and injured 230 others. *(AP)*

Switzerland Limits Holocaust Fund

BASEL, Switzerland — Switzerland on Friday ruled out demands to pay more money into a special fund for Holocaust survivors and to revamp the fund's management to dilute Swiss influence.

"Government funding to boost the Holocaust fund is out of the question," Foreign Minister Flavio Cotti said in an interview with the independent newspaper Bund.

The fund was set up this year after international criticism that Swiss banks were sitting on millions in Jewish assets. *(AP)*

Mir Repairs Delayed

MOSCOW — A space walk to find the holes in the damaged Mir space station has been delayed until at least next Friday to give the Russian-U.S. crew more time to train, officials said Friday.

The astronaut Michael Foale, who is likely to accompany the Mir commander, Anatoli Solovyov, needs thorough preparation because it has been a long time since he trained in a Russian space suit, said Irina Manshilina, a Mission Control spokeswoman.

The National Aeronautics and Space Administration has not yet given formal permission for Mr. Foale to take part in the space walk, which was initially scheduled for next Wednesday. *(AP)*

Danes Plan Inquiry

COPENHAGEN — Denmark has decided to hold an official investigation of its onetime program of forced sterilizations, a move the social affairs minister, Karen Jespersen, said should have been made a generation ago.

Denmark's sterilization program, from 1929 to 1967, involved 11,000 people, the newspaper Jyllands-Posten reported Friday. *(AP)*

For the Record

A 23d case of Creutzfeldt-Jakob disease, the human version of "mad cow" disease, has been identified in Britain, press reports said Friday. *(AFP)*

RELIGIOUS SERVICES

AMSTERDAM

CROSSROADS INTERNATIONAL CHURCH Interdenominational & Evangelical Sunday Service 10:00 a.m. & 11:30 a.m./ Kids Welcome. De Cuserstraat 3, S. Amsterdam Info. 020-641 8812 or 020-6451 653.

FRANKFURT

English Speaking International Catholic Parish, St Leonhard, Alte Mainzer Gasse 8, 60311 Frankfurt, Germany. Tel/Fax 069-283177. Mass schedule: Saturday 5 p.m., Sunday: 10 a.m. Confessions: 1/2 hour before Mass.

FRANCE/TOULOUSE

HOPE INTERNATIONAL CHURCH (Evangelical). Sunday 6:30 p.m. Le Grand Noble Hotel, 90 av. de Cornebarrieu, Blagnac. Tel.: 05 62 74 11 55.

FRENCH RIVIERA/CÔTE D'AZUR

NICE: Holy Trinity (Anglican). 11 rue Buffa, Sun. 11; **VENCE:** St Hugh's, 22, av. Résistance, 9 a.m. Tel: 33 04 93 87 19 83.

MONTE CARLO

MONACO CHRISTIAN FELLOWSHIP Worship Service. Sundays: 11 a.m. 9, rue Louis Notary. Monte Carlo. Tel.: 377 92 16 56 47.

PARIS and SUBURBS

EMMANUEL BAPTIST CHURCH - 56, rue des Bons-Raisins, 92500 Rueil-Malmaison. Summer Schedule: 9:45 Worship. 11:00 Coffee Hour. For more info call 01 47 51 29 63 or check: http://www.geocities.com/Paris/Metro/1352.

HOPE INTERNATIONAL CHURCH Hotel Orion at Paris-la-Défense, 8 bd. de Neuilly. Worship Sundays. 9:30 a.m. Rev. Douglas Miller, Pastor. T.: 01 43 33 04 06 Métro 1 to la Défense Esplanade.

SAINT JOSEPH'S CHURCH (Roman Catholic). MASS IN ENGLISH: Sat. 6:30 p.m.; Sun. 10 a.m., 12 midday, 6:30 p.m. 50, avenue Hoche. Paris 8th. Tel.: 01 42 27 26 56. Metro: Charles de Gaulle - Etoile.

RELIGIOUS SOCIETY OF FRIENDS (QUAKERS). Unprogrammed (silent) meeting for worship. Sundays 11 a.m. Centre Quaker International, 114 bis, rue de Vaugirard, 75006 Paris. All Welcome. +33 01 45 48 74 23.

TOKYO

ST. PAUL INTERNATIONAL LUTHERAN CHURCH, near Iidabashi Stn. Tel.: 3261-3740. Worship Service: 9:30 a.m. Sundays.

TOKYO UNION CHURCH, near Omotesando Subway Sta. Tel.: 3400-0047. Worship Services: Sunday - 8:30 & 11:00 a.m. . SS at 9:45 a.m.

SWITZERLAND

BASEL CHRISTIAN FELLOWSHIP English-Speaking non-denominational. Tel. +41 61 302 1674, Sundays 10:30 Mittlere Strasse 13, CH-4056 Basel.

ZURICH-SWITZERLAND

ENGLISH-SPEAKING CATHOLIC MISSION: St. Anton Church, Minervastraße 63 Sunday Mass: 8:30 a.m. & 11:30 a.m. Services held in the crypt of St. Anton Church.

THE EPISCOPAL CHURCHES OF EUROPE (Anglican)

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WEATHER

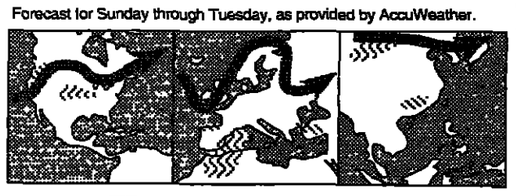
Europe

	Today High	Today Low	W	Tomorrow High	Tomorrow Low	W
	C/F	C/F		C/F	C/F	
Algarve	25/84	18/64	s	26/82	18/64	s
Amsterdam	21/70	16/61	pc	23/73	14/57	pc
Ankara	29/84	19/66	pc	21/70	6/43	pc
Athens	29/84	19/66	s	29/82	19/66	pc
Barcelona	26/79	19/66	s	28/82	21/70	pc
Belgrade	18/64	12/53	r	25/77	13/55	pc
Berlin	23/73	13/55	pc	22/71	14/57	pc
Brussels	21/70	16/61	sh	24/75	14/57	pc
Budapest	21/70	11/52	pc	24/75	16/61	c
Copenhagen	21/70	16/61	r	23/73	16/61	pc
Costa Del Sol	31/88	20/68	s	31/88	21/70	s
Dublin	18/64	11/52	pc	18/64	7/44	pc
Edinburgh	19/66	13/55	pc	19/66	10/50	r
Florence	26/79	17/62	c	29/84	18/64	s
Frankfurt	19/66	14/57	r	24/75	15/59	pc
Geneva	22/71	14/57	sh	28/82	16/61	pc
Helsinki	23/73	13/55	pc	23/73	16/61	sh
Istanbul	28/82	18/64	pc	27/80	18/64	pc
Kiev	24/75	17/62	r	25/77	16/61	sh
Las Palmas	28/73	17/62	s	24/75	20/68	s
Lisbon	26/79	17/62	s	26/79	17/62	pc
London	21/70	11/52	pc	22/71	13/55	pc
Madrid	30/86	16/61	pc	32/89	16/61	pc
Mallorca	29/84	17/62	s	31/88	19/66	s
Milan	24/75	18/61	sh	28/82	20/68	pc
Moscow	23/73	12/53	sh	14/57	2/35	pc
Munich	16/61	12/53	r	20/68	14/57	c
Nice	27/80	20/68	pc	28/82	22/71	s
Oslo	24/75	16/61	sh	23/73	16/61	sh
Paris	25/77	9/48	pc	22/71	12/53	pc
Prague	19/66	8/46	pc	22/71	13/55	s
Reykjavik	9/48	6/46	r	10/50	4/39	sh
Riga	24/75	16/61	pc	24/75	16/61	sh
Rome	30/86	18/64	s	28/82	17/62	pc
St. Petersburg	22/71	13/55	s	18/64	13/55	s
Stockholm	23/73	10/50	sh	24/75	17/62	sh
Strasbourg	21/70	14/57	r	24/75	17/62	c
Tallinn	23/73	14/57	c	22/71	15/59	s
Tbilisi	29/84	17/62	pc	29/84	18/64	pc
Venice	22/71	17/62	c	26/79	19/66	pc
Vienna	24/75	12/53	pc	22/71	12/53	pc
Warsaw	24/75	14/57	pc	21/70	13/55	pc
Zurich	18/64	13/55	r	22/71	17/62	c

Middle East

Abu Dhabi	43/109	24/75	s	41/106 26/79 r
Beirut	28/82	21/70	s	29/84 21/70 pc
Cairo	34/93	19/66	s	33/91 19/66 pc
Damascus	34/93	12/53	s	32/89 15/59 s
Jerusalem	29/84	15/59	s	29/82 15/59 pc
Luxor	39/102	18/64	s	38/100 21/70 s
Riyadh	41/106	23/73	s	41/106 26/79 s

Forecast for Sunday through Tuesday, as provided by AccuWeather.



Jetstream · Unseasonably Cold · Unseasonably Mild · Heavy Rain · Heavy Snow

North America
Sunny and warm in the Northeast Sunday. thunderstorms Monday will be followed by sunny, nice weather Tuesday. Hot across the Plains from Texas to the Dakotas. A Pacific storm will bring soaking rains to the Cascades, while thunderstorms will fire up in the southern Rockies

Europe
London will have showers Sunday, then partly sunny and nice Monday and Tuesday. Cloudy with showers and a thunderstorm or two in Paris, while Rome will be mostly sunny and warm through Tuesday. Southern Spain will be hot with sunshine, but the north and west will have soaking rains.

Asia
It may thunderstorm in Beijing Sunday, then sunny and warm Monday and Tuesday. Warm and humid in Seoul Sunday with showers likely, then mostly sunny and nice. Warm and humid in Tokyo with a shower possible each day. Heavy rains will soak southeastern China, especially Yunnan province.

North America

	Today High	Today Low	W	Tomorrow High	Tomorrow Low	W
	C/F	C/F		C/F	C/F	
Anchorage	16/61	11/52	sh	16/61	8/46	r
Atlanta	31/88	21/70	pc	29/84	20/68	pc
Boston	26/79	18/64	pc	27/80	18/64	pc
Chicago	28/82	20/68	pc	29/82	18/64	t
Dallas	36/97	23/73	s	33/91	21/70	pc
Denver	31/88	14/57	pc	31/88	14/57	pc
Detroit	27/80	19/66	pc	27/80	17/62	pc
Honolulu	32/89	24/75	pc	33/91	24/75	pc
Houston	34/93	22/71	pc	33/91	21/70	t
Los Angeles	30/86	17/62	s	30/86	17/62	s
Miami	33/91	25/77	pc	33/91	25/77	pc
Minneapolis	28/82	19/66	t	27/80	18/64	c
Montreal	24/75	15/59	pc	26/79	16/61	pc
Nassau	32/89	24/75	pc	32/89	25/77	pc
New York	29/84	20/68	s	30/86	20/68	s
Orlando	33/91	23/73	pc	33/91	23/73	pc
Phoenix	40/104	27/80	t	39/102	26/79	pc
San Fran.	24/75	14/57	pc	23/73	14/57	pc
Seattle	23/73	13/55	sh	21/70	12/53	sh
Toronto	25/77	12/53	s	27/80	15/59	pc
Vancouver	19/66	11/52	sh	17/62	8/46	sh
Washington	30/86	19/66	s	31/88	20/68	s

Asia

	Today High	Today Low	W	Tomorrow High	Tomorrow Low	W
	C/F	C/F		C/F	C/F	
Almaty	29/84	14/57	s	29/84	17/62	s
Bali	30/86	20/68	s	29/84	22/71	s
Bangkok	34/93	26/79	t	33/91	26/79	pc
Beijing	34/93	27/80	pc	35/97	22/71	sh
Bombay	28/82	23/73	sh	28/82	24/75	c
Calcutta	31/88	24/75	sh	31/88	26/79	c
Chiang Mai	31/88	22/71	c	30/86	24/75	r
Colombo	29/84	24/75	c	29/84	25/77	c
Hanoi	33/91	27/80	r	33/91	27/80	c
Ho Chi Minh	29/84	24/75	r	31/88	24/75	sh
Hong Kong	29/82	26/79	r	30/86	26/79	pc
Islamabad	37/98	23/73	s	37/98	22/71	t
Jakarta	31/88	23/73	pc	31/88	23/73	pc
Karachi	32/89	24/75	s	32/89	24/75	s
K Lumpur	32/89	23/73	pc	31/88	24/75	c
K Kinabalu	31/88	23/73	c	31/88	24/75	c
Manila	29/84	23/73	r	31/88	24/75	pc
New Delhi	34/93	25/77	pc	34/93	24/75	sh
Phnom Penh	29/84	24/75	t	30/86	24/75	r
Phuket	30/86	26/79	t	33/91	26/79	pc
Rangoon	29/84	23/73	sh	29/82	24/75	c
Seoul	30/86	23/73	pc	33/91	23/73	pc
Shanghai	31/88	24/75	pc	32/89	26/79	pc
Singapore	31/88	25/77	pc	31/88	23/73	pc
Taipei	32/89	25/77	r	32/89	25/77	pc
Tokyo	27/80	21/70	pc	28/79	23/73	s
Vientiane	29/84	23/73	r	29/84	23/73	r

Africa

Algiers	34/93	21/70	s	33/91	21/70	pc
Cape Town	15/59	11/52	r	16/61	7/44	pc
Casablanca	28/82	18/64	s	28/79	19/66	s
Harare	22/71	9/48	s	22/71	12/53	s
Lagos	28/82	22/71	sh	28/82	23/73	c
Nairobi	26/79	11/52	c	26/79	12/53	pc
Tunis	31/88	17/62	s	33/91	22/71	s

Latin America

Buenos Aires	25/77	13/55	t	19/66	11/52	sh
Caracas	28/82	22/71	pc	29/84	22/71	pc
Lima	20/68	18/61	s	20/68	17/62	pc
Mexico City	23/73	13/55	c	23/73	12/53	pc
Rio de Janeiro	23/73	17/62	pc	23/73	17/62	pc
Santiago	18/64	7/44	c	18/64	6/43	pc

Oceania

Auckland	13/55	7/44	pc	13/55	6/43	pc
Sydney	21/70	13/55	pc	21/70	13/55	pc

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SINGAPORE	S$	146	82	43%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SEK	832	350	58%
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Military Chief Defends U.S. Position on Mines

By Dana Priest
Washington Post Service

WASHINGTON — The chairman of the Joint Chiefs of Staff, General John Shalikashvili, says he believes that the United States has been unfairly painted as "the bad guys" in the debate over banning land mines and opposes the ban under consideration by 100 countries.

Citing the fact that the United States unilaterally gave up mines that do not self-destruct and spent $125 million to teach countries to de-mine their lands, General Shalikashvili said Thursday in an interview with reporters, "I challenge anybody else to show how much they have done." He added, "Yet somehow we've managed to turn the argument around so that we are the bad guys on this issue."

Land mines kill about 500 people every week, most of them civilians. The same qualities that make land mines an effective, inexpensive weapon against invading troops — they are hard to detect, long-lasting and easily planted — have also created a humanitarian problem that has sparked a growing effort to ban them. There are estimated to be 100 million mines laying in wait in 68 countries, most in poorer nations ill-equipped to remove them or to treat their victims.

Many Pentagon officials argue that anti-personnel land mines, used with anti-tank mines, are an essential part of its battlefield arsenal.

President Bill Clinton changed course last week on the land mine issue, announcing that the United States would join a yearlong Canadian-led effort to reach an international ban on anti-personnel land mines.

The administration has asked that the draft treaty under discussion be changed to allow U.S. forces to continue using anti-personnel mines on the Korean peninsula and to use self-destructing "smart" mines on the battlefield to protect anti-tank mines laid to stop an enemy.

But, according to Defense Department sources, that request was rejected by treaty negotiators during informal discussions in the last several days.

■ 100 Countries to Begin Talks on Treaty

About 100 countries will begin talks Monday on the treaty for a ban on land mines, Reuters reported from Oslo. Delegates there will spend 19 days drafting a final text of a convention banning the use, export, production and stockpiling of anti-personnel land mines.

POLITICAL NOTES

Dozens of Top Jobs Waiting to Be Filled

WASHINGTON — Seven months into President Bill Clinton's second term, about 30 percent of the top 470 political jobs in his administration remain unfilled.

These numbers do not include 67 vacant ambassador positions or vacancies and pending nominations for regulatory and independent agencies, federal judges, prosecutors, U.S. marshals and top Pentagon jobs.

The unfilled jobs — from deputy secretaries of major departments to the CIA's chief intelligence collector — have been long regarded as among the most critical in the government.

The positions have left an administration cluttered with holdovers — people who have announced their departure and remain on the job until a new appointee secures the Senate's blessing — and with deputies filling in as "actings."

According to the White House personnel office, 120 top political jobs are being filled by "acting" officials. In some cases, an official's term has expired but he or she may stay on until renominated and confirmed or until a new person gets the post.

Robert J. Nash, director of White House personnel, said recently that the Republican-controlled Congress must share some of the blame. He also noted that the White House had no control over how long it takes for FBI and tax checks, a process he estimates takes two to three months. *(WP)*

U.S. Employee Risk: A Video Game Ban

WASHINGTON — When members of Congress left Washington in droves earlier this month for their summer recess, federal employees could breath a sigh of relief: Their computer games were safe, for now.

But when the lawmakers return in September, their agenda of weighty affairs of state will include whether to push forward with a proposed ban on computer games in every nook and cranny of the federal bureaucracy.

The prohibition is part of the Senate version of a bill that passed in late July and funds the White House, Post Office, Treasury Department and assorted other government agencies.

The amendment, sponsored by Senator Lauch Faircloth, Republican of North Carolina, would require the removal of existing games programmed on government computers and bar future purchases of computers with pre-installed games.

Mr. Faircloth hopes to find a sponsor for a similar amendment in the House version of the appropriation bill. If that does not happen, he says, he will fight to have the amendment retained as part of a conference version of the bill produced by House and Senate negotiators.

While some labor leaders have accused Mr. Faircloth of being technophobic, the senator said it is government waste he fears, not technological advances. "The taxpayers don't need to be paying the salaries of people who are playing games while on official time," he said.

Senator Faircloth's amendment was the result of an Internet lesson gone wrong. While showing the senator how to operate his own Web site, an employee accessed the office computer games. *(LAT)*

Quote / Unquote

Newt Gingrich, the House speaker, during a dinosaur dig in Montana, on why he thinks Tyrannosaurus rex was a predator, not a scavenger: "I believe he was a predator because I saw 'Jurassic Park' and he ate a lawyer, and it wasn't a dead lawyer." *(NYT)*

Drug Czar Defies Threat To Pay a Visit

The Associated Press

SAN DIEGO — Despite a "credible and serious" threat from a man claiming to be a member of Mexico's largest drug cartel, the Clinton administration drug policy chief has made a planned border visit, though escorted by hundreds of guards from both countries.

Security officials asked General Barry McCaffrey to cancel his visit Thursday to Tijuana, Mexico, but he refused, federal officials said. General McCaffrey said he would not be intimidated.

He made the trip guarded by reinforcements from the U.S. Marshals Service that were supplemented by about 200 Mexican soldiers and police officers.

The threatening call was placed to the Federal Bureau of Investigation on Tuesday while General McCaffrey was in Laredo, Texas, on a tour of the Southwest border. The caller, who spoke in Spanish, told the FBI field office in Houston that the killing would be carried out with a missile attack.

■ Review of Certification Process

The Clinton administration plans to re-evaluate the annual process by which the government certifies that Mexico and other drug producing and trafficking countries are working vigorously to fight the flow of illegal drugs into the United States, the Los Angeles Times reported.

General McCaffrey said during his tour of the U.S.-Mexico border that federal officials would consider scrapping the arduous certification process if a more constructive system could be devised.

While Mexico has long objected to certification, the process has strong support in Congress, and any effort to change it will almost certainly meet tough opposition. Many lawmakers believe certification provides the only real measure of what a country does to fight drugs.

General McCaffrey said Tuesday in Nuevo Laredo, Mexico, that "the certification process is difficult, but it is a question of a law of the land."

He added, however, that "President Clinton has asked me to come up with a concept that perhaps will suggest a new modality of cooperation in the hemisphere."

He went further in San Diego, saying, "We are working on what we can offer, not necessarily as a replacement for certification but what is a higher-order way of addressing the issue."

Denis Poroy/The Associated Press

General Barry McCaffrey, second from right, visiting a port of entry near San Diego, under tight security.

Kentucky Warned Of 'Mad Squirrels'

New York Times Service

NEW YORK — Doctors in Kentucky have issued a warning that people should not eat squirrel brains, a regional delicacy, because squirrels may carry a variant of "mad cow" disease that can be transmitted to humans and is fatal.

Although no squirrels have been tested for "mad squirrel" disease, there is reason to believe that they could be infected, said Joseph Berger, chairman of the neurology department at the University of Kentucky in Lexington. Elk, deer, mink, rodents and other wild animals are known to develop variants of "mad cow" disease that collectively are called transmissible spongiform encephalopathies.

In the last four years, 11 cases of a human form of transmissible spongiform encephalopathy, called Creutzfeldt-Jakob disease, have been diagnosed in western Kentucky, said Erick Weisman, clinical director of the Neurobehavioral Institute in Hartford, Kentucky, where the patients were treated.

"All of them were squirrel-brain eaters," Dr. Weisman said.

Massacre in a Venezuelan Jail

29 Inmates Are Hacked or Stabbed in a Gang Raid

Reuters

EL DORADO, Venezuela — A total of 29 inmates were hacked and stabbed to death at a remote Venezuelan maximum-security prison in a struggle for power between rival gangs, authorities said.

The killers used machetes and primitive knives, decapitating several of the victims.

Others were badly burned when the attackers set fire to their mattresses, officials said at El Dorado jail, 440 miles (700 kilometers) southeast of Caracas.

The carefully planned surprise attack started shortly after dawn Thursday, when many of the prisoners were still asleep, and lasted less than 20 minutes.

Seeking revenge for the murder of one of their gang leaders, a group of inmates broke the locks on their cell and launched the raid against a rival gang transferred from another prison.

As they approached the victims, the attackers shouted a coded warning used when guards are conducting a weapons search, alerting prisoners to conceal any weapons.

This ensured, officials said, that their victims were defenseless, no weapons at hand, when the raiders broke in.

The raid was sparked by fierce rivalries between local inmates and a group of prisoners moved from the Sabaneta jail in western Venezuela as punishment, putting them further from their families.

All of the dead were from La Sabaneta, according to officials.

Built in 1958, the El Dorado jail is across the Cuyuni River from the mining town named after the mythical City of Gold.

Away From Politics

• **Four laboratories in Wisconsin erred in tests** last year that led 10 people to be mistakenly diagnosed with tuberculosis, the federal Centers for Disease Control and Prevention said. The mistakes, made between March and July, not only upset the patients but also resulted in hundreds of unneeded follow-up TB tests on their families and hospital staff who cared for them. *(AP)*

• **The Japanese automaker Mitsubishi agreed to pay $9.5 million** to settle a lawsuit by 27 women who said they were subjected to obscene remarks, groping and sexual discrimination at work. The settlement does not affect the U.S. Equal Employment Opportunity Commission's accusation that Mitsubishi Motor Manufacturing of America Inc. discriminated against 300 women at its plant in Normal, Illinois. *(AP)*

• **A retired army officer is suing his wife for smoking**, asking a U.S. District Court judge in Chicago to declare the smoke from his wife's cigarettes a cancer-causing pollutant under the federal Clean Air Act. Colonel Richard Thomas, 69, who quit smoking 12 years ago, said he had tried any number of strategies to get his wife of 43 years to quit. *(AP)*

BOOKS

THE NAPOLEON OF CRIME
The Life and Times of Adam Worth, Master Thief

By Ben Macintyre. 336 pages. $24. Farrar Straus Giroux.

Reviewed by
Jonathan Yardley

ON Jan. 8, 1902, a small, feeble man named Adam Worth, a/k/a Henry J. Raymond, age 57, died in his sleep near London. The event drew little notice for about a month, after which newspapers in England and elsewhere began piecing together the remarkable story of this strange, elusive man. Many of those stories were dramatic, if not outright hyperbolic, but none carried the weight of a private comment in the files of the Pinkerton detective agency:

"In the death of Adam Worth there probably departed the most inventive and daring criminal of modern times. . . . In all his criminal career, and all the various crimes he committed, he was always proud of the fact that he never committed a robbery where the use of firearms had to be resorted to, nor had he ever escaped, or attempted to escape from custody by force of jeopardizing the life of an officer, claiming that a man with brains had no right to carry firearms, that there was always a way, and a better way, by the quick exercise of the brain. Among all the men Pinkertons have known in a life time, this man was the most remarkable criminal of them all."

Those words almost surely were written by William Pinkerton, son of the agency's founder and, in his own right, perhaps its most storied figure. Pinkerton was an ally of the forces of the law, but as Ben Macintyre suggests in this biography of Adam Worth, he was powerfully drawn to those men and women whose sins he was charged with digging out and eradicating. None of these aroused greater admiration in him than Worth, whose diminutive size and spectacular thefts made him, by common consent, "the Napoleon of crime."

Worth was born in Germany in 1844 to Jewish parents who moved to the United States when he was still young. Macintyre hypothesizes that "the undersized Worth quickly developed an outsized Napoleonic complex" and that it did not take long for him to evolve "into a character of many and conflicting parts: selfish, greedy and also generous to a fault, at once ruthless and sentimental." Worth served in the Union Army and was "officially listed as dead" not long after Second Bull Run. Still very much among the quick, he became a full-time criminal, serving a prolonged apprenticeship in New York City, where in the postwar years crime thrived as rarely before or since. He took on the alias of Henry J. Raymond, apparently inspired by the death in 1869 of Henry Jarvis Raymond, "founder-editor of The New York Times" and "stalwart moral voice of the age."

Macintyre makes much of the "rich and satisfying irony" of this choice, but it is easier to speculate about than to document. Suffice it to say that in the double guise of Worth/Raymond, the young criminal became a participant in what Macintyre calls "the great fraud of Victorian morality and appearances," in which persons of public probity hid sordid private lives, prompting Oscar Wilde to write, "I hope you have not been leading a double life, pretending to be wicked and being really good all the time. That would be hypocrisy."

If this mostly engaging book has a serious flaw, it is the author's penchant not merely for over-interpretation but for incessant reiteration. Better to read "The Napoleon of Crime" on a less exalted level, as a carefully researched and smoothly narrated tale about a clever, complicated and engaging man who chose, for whatever reason, to steal his living rather than earn it. Macintyre is correct to say that such stories hold a perverse fascination for us, as evidence of which one need only read the best parts of this book.

Jonathan Yardley is on the staff of The Washington Post.

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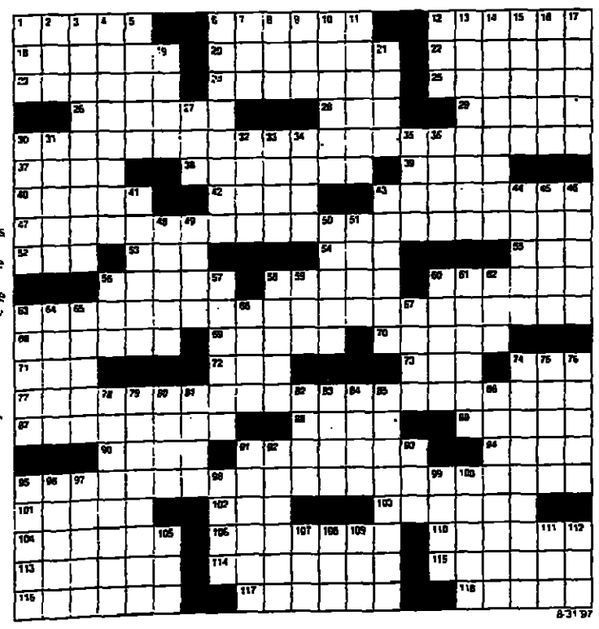

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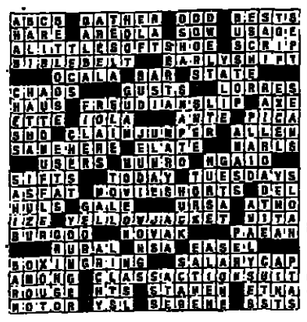
Solution to Puzzle of Aug. 23-24



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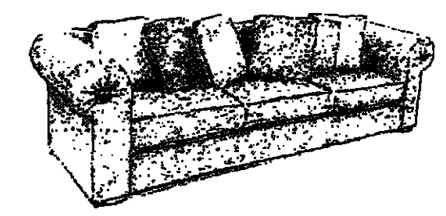

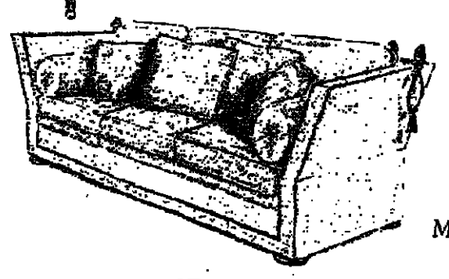

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Cell Phones Ride a Tide of Big-Brother Fears in Hungary

By Dean E. Murphy
Los Angeles Times

KISOROSZI, Hungary — Andras Floris, an auto mechanic, enjoys a frothy beer during midday breaks at the Golf Pub, a popular way station in this lazy island village about 25 miles upriver from Budapest, the Hungarian capital.

Like many regulars, he also enjoys using the telephone, a flashy red model that the pub's proprietor, Agnes Bode, serves up for about 4 cents a minute. But Mr. Floris keeps his calls simple. When he has something weighty to say, he prefers the cellular phone back at the garage.

"It is more popular to use the mobile phones because they can't be tapped," said Mr. Floris, 37, his green overalls soiled from a morning repair job. "It wasn't so long ago in this country when everybody was being listened to."

Come this Christmas, Kisoroszi will celebrate its third anniversary of residential telephone service, a milestone for the Danube River hamlet's 318 customers and a telling example of the telephone revolution sweeping the former Eastern Bloc.

More than 1 million fixed lines have been installed in Hungary since 1993, nearly wiping out a 13-year waiting list and introducing phone service to hundreds of villages long dependent on the written word or a rare public phone line for the simplest of long-distance communication.

At the same time, 520,000 cellular subscribers have signed up, making Hungarians the best-connected Europeans behind the erstwhile Iron Curtain. Together, the new fixed and wireless installations have doubled the number of Hungarian phone customers in just four years.

"My telephone has become my connection to the world," said Gizi Tobias, 67, a widow who lived her first 65 years in Kisoroszi without a phone. "I can't imagine life without it."

But in Hungary and other onetime Communist countries, the new love affair with phones has not come unconditionally. Old Communist-bred phobias and routines are dying hard — particularly those about Big Brother's big ears — while cellular technologies have so liberated mobile callers that many people are crying out for rules of common decency.

"We tend to look at these changes from a technological point of view, but there is a lot of human behavior involved," said Douglas Smith, telecommunications analyst for Salomon Brothers in London.

"The mobile phone in many ways symbolizes Western life and Western business, while the poor quality fixed-line networks still represent the old Communist economy and way of life," he said.

No one suggests that the old times are back, when totalitarian authorities carefully controlled telephone availability as a means of repression. But still fresh are memories of suspicious rattles on the lines and, sometimes, an accusatory voice breaking into conversations.

"We have a saying in Hungarian: 'It is not a topic for the telephone,'" Mrs. Tobias said. "Every family has certain secrets that should remain private. I am not saying anyone is listening, but you never really know, do you?"

Although it is impossible to calculate, telecommunications analysts say they believe such telephobia has helped increase the popularity of cellular phones in Hungary and throughout the former Eastern Bloc. Still, they expect the higher-quality fixed lines will remain in high demand.

Hungarian mobile phone subscribers account for one-third of mobile customers in Central and Eastern Europe, with market penetration approaching levels in France, Belgium and Greece.

Although rates have dropped dramatically, it is still relatively expensive to use a mobile phone in Central and Eastern Europe. In Budapest, a fixed-line customer typically pays $7 in monthly fees and 4 cents a minute for local daytime calls. By comparison, basic service for an analog mobile phone costs about $12 monthly and 25 cents a minute, while the cheapest digital mobile phone goes for about $9 monthly and 50 cents a minute. In Hungary, the per capita national income is only $5,700 a year.

Whether for privacy, prestige or simple convenience, the rush to mobile phones has become so maddening in Hungary that Westel 900 recently issued a Ten Commandments of mobile phone etiquette to head off persistent complaints about customer incivility.

The brochure reminds callers not to ring up during Sunday Mass, at the cemetery or in hospitals. It also makes the seemingly obvious — but often unheeded — suggestion not to talk on the phone while at the movies.

Scores of other businesses across Hungary have added cell phones to the list of "Do Nots" posted on windows.

ALGERIA: *Attack Is Worst Yet*

Continued from Page 1

North African country of 30 million.

The outlawed Armed Islamic Group is presumed by the government to be responsible for the bloody attacks on civilian populations in Algiers and outlying communities.

But an undetermined number of the killings are believed to be the work of government security forces and government-armed militias carrying out reprisals against villages where the guerrillas hide out.

The latest wave of massacres followed a brief period of respite and faint currents of hope after legislative elections on June 5. Mr. Zeroual's party won the elections, but some moderate opponents of the regime also were elected.

In July, two senior leaders of the Islamic Salvation Front were released from jail in an apparent opening to government opponents who wish to pursue a peaceful path to reconciliation. As part of its effort to rejoin the political process, the Islamic Salvation Front has sought to repudiate the anti-civilian violence of the Armed Islamic Group, with which it once had close ties.

Benjamin Stora, a University of Paris professor who has written 17 books on his native Algeria, said in an interview Friday that the nature of the violence there had changed in the last year.

The Algerian government, he said, has "privatized" the war by creating a "peasant militia" of about 150,000 armed citizens who carry out many of the attacks on civilians that authorities invariably attribute to the Armed Islamic Group and other terrorists. The civil war, he said, now pits "village against village, family against family."

Mr. Stora also said the Algerian military was divided between hard-liners who want no truck with moderate elements of the Islamic Salvation Front and those who see no alternative to including them in negotiations to end the violence. President Zeroual, he said, "is trying to situate himself in the middle of this battle" within the military.

The Algerian government's continuing assurances that it has turned the tide on the fundamentalist insurgency have continued to be persuasive to France, the former colonial power until 1962 and home to more than a million Algerian immigrants, as well as a million and a half citizens of Algerian heritage.

Despite the intermittent spillover of Algerian terrorist bombings in Paris in 1995 and 1996 and the murder of seven French monks in Algeria last year, France maintains a public posture of support for the Zeroual government.

Although Prime Minister Lionel Jospin criticized France's "blind support" for the Algerian regime before his victorious political campaign in France last spring, his foreign minister, Hubert Vedrine, took a conciliatory line in an interview with the Paris daily Le Monde. In the interview, published Thursday, Mr. Vedrine cited approvingly the "living reality" of a new Algerian multiparty legislature elected in June and brushed off a suggestion that the June voting results may have been rigged.

"In any case," the foreign minister added, "it's up to the Algerians to find the solutions to their problems among themselves."

Brunei Makes Good on Vow To Aid 2 Asian Currencies

By Michael Richardson
International Herald Tribune

SINGAPORE — On a recent visit to Malaysia, Sultan Hassanal Bolkiah of Brunei promised that his country, made fabulously rich by oil and gas, would work with its partners in the Association of South East Asian Nations to combat the currency turmoil undermining the region's stockmarkets and threatening its economic growth.

Few took the pledge as anything more than a regal gesture of solidarity, until Friday when well-timed intervention by Brunei helped several of Southeast Asia's embattled currencies stage a significant rebound from earlier sharp losses.

Analysts said that the partial recovery of the Malaysian ringgit and the Singapore dollar in turn helped the stock markets in Singapore and Malaysia bounce off their lows, although they still suffered heavy losses.

Singapore's Straits Times Industrial Index fell 6 percent at one point before pulling back to close at 1,805.64, down 2.22 percent.

Malaysia's main index ended nearly 1 percent down on the day, after a roller coaster ride that saw it drop over 4 percent at one point.

While the halt in the currency slide may turn out to be only temporary, dealers said that Brunei's entry into the fray was a warning to speculators that they could be burned if they pushed the decline too far, too fast.

They said that the Brunei Investment Agency, a government body that manages assets worth about $60 billion, according to bankers, sold dollars for the Malaysian ringgit and the Singapore dollar after lunch, catching the market by surprise.

As a result, the ringgit bounced to an intraday high of 2.8630 to the dollar, from an early all-time low of 2.9650, before drifting back down to about 2.9050 at the close of trade in Kuala Lumpur.

The Singapore dollar bounded back to 1.4960 from a 38-month low of 1.5375 before retreating again to about 1.51 at the close.

Dealers estimated that the Brunei agency, which is under the effective control of the sultan, who is the country's finance minister as well as prime minister, sold at least $300 million to support the Singapore dollar in thin Friday afternoon markets.

They said there was simultaneous heavy buying by the agency of the ringgit and even some Bruneian buying of the Indonesian rupiah, although that did not do much to help the Indonesia stock market, where the Jakarta composite index slid 6.9 percent on Friday.

"Brunei has always been a net seller of dollars against the Singapore dollar even prior to the crisis," said Ishak Ismail, market intelligence analyst at independent research firm I.D.E.A. "But the market was stunned because they don't normally buy the ringgit."

The recovery of the ringgit and Singapore dollar lifted the Indonesian rupiah, which has frequently been a hostage to the fortune of other regional currencies since Thailand effectively devalued the baht on July 2 in a bid to lower interest rates and revive growth.

"The ringgit appears to be the driving force in the region," a U.S. bank dealer quoted by Reuters said in Jakarta. "It pulled us down since Thursday, and now it lifted us back."

The rupiah closed at about 2,925 to the dollar, after crumbling to an all-time low of 3,070 in early trading.

Terry Gydesen/The New York Times

Choe Kang Ryong, center, with North Koreans and Americans, admiring corn at a Minnesota research site.

KOREANS: *Visitors From Hungry Land Are Awed by Tall Corn*

Continued from Page 1

The officials on this trip told of irrigation pumps disabled by an absence of spare parts, deforested and eroding hillsides planted with the wrong crops, cutworms devouring fields because there are no pesticides and seed corn of such low quality that it is sowed in preliminary patches from which the green survivors are later transplanted to the real cornfields.

This week, notebooks in hand, the North Koreans have scribbled their way through a goat farm, a pig nursery, genetics laboratories, seed stores, grain elevators and dairy farms. They have plowed on foot through thigh-high prairie grass to ask questions and take notes on a herd of beef cattle grazing on land beyond the end of the dirt road. They also staggered through the State Fair.

Next stop is Missouri and after that Georgia, where another Korean-American, Park Han Sik, director of the University of Georgia's Center for Global Issues, will be the host.

Mr. Choe, 54, had one word for what he's been seeing.

"Impressive," he said as he traveled along another spacious freeway to another neat Midwestern town under its shade trees.

He also had a word for himself: "Envious."

The Clinton administration has pledged about $100 million in emergency food aid to North Korea, $55 million of which is in grains and is being distributed by Amigos Internationales, CARE, Catholic Relief Services, Mercy Corps, and World Vision.

Dr. Joo is a consultant for the last two groups. A former seed company executive who is now vice president of Agglobe Technologies, a consulting firm in Minneapolis, she had to raise the money for the North Koreans' visit to Minnesota from private sources. She also collects money and donations of seed and other farming material and equipment for the North Koreans because trading with North Korea is prohibited by a U.S. embargo.

The North Koreans said they were given 10 days' notice that they were going to the United States, news that shocked their families, one said. North Koreans are more accustomed to trips to Cuba and Vietnam or other Third World nations.

The North Koreans have asked a lot of questions that dance around the one important lesson of this visit that may be most difficult to absorb — Minnesota's green wealth has its roots in independent farming families, in self-help cooperatives and lately in research paid for by seed and pharmaceutical companies.

North Korea has a rigid state economy. An official tried to explain its relation to agriculture on Tuesday during a conversation about the American cooperative movement and the very different North Korean cooperative farm, where production goals and methods are determined by the government.

"We have no private farmers," he said. "We have cooperatives. Of course, the farmer joins voluntarily."

The North Koreans asked many questions about productivity. For example: "How many people does it take to raise this many pigs?" and "How many farmers work on this field?"

"A centralized economy is good up to a point for poor countries," Dr. Joo said. "Then you need human desire — the drive for a superior life style, a better life. Growth comes with desire."

MARKETS: *Hong Kong Feels the Heat*

Continued from Page 1

linked equities this year, big owners of the blue chips face a different environment if they try to sell. Hang Seng index stocks accounted for about 70 percent of trading volume a year ago; this week their share slipped as low as 10 percent.

With retail investors keeping their eyes on stocks other than major property developers or banks, fund managers looking to raise cash by selling blue chips are forced to ask for less.

"Institutional investors panicked, but not the Chinese funds and local retail investors. They are quite calm," said Ben Kwong, head of research at Dharmala Securities.

The Hang Seng index tracking so-called red chips — stocks of mainland-backed Chinese companies listed in Hong Kong — fell just 1 percent. These are overwhelmingly owned by local and Chinese investors, traders said.

While saying the blue chips now looked fairly valued, at about 12 times expected 1988 earnings, Mr. Kwong did not rule out more declines next week.

Traders blamed part of the market's plunge on new measures announced Wednesday by Malaysian authorities that make it much harder to sell stocks in Kuala Lumpur.

Foreign funds were already on edge after four of the region's currencies had fallen by as much as 20 percent since July after being allowed to float freely, no longer tied to the value of other currencies.

"Malaysia has been a catalyst for all the markets," said Jim Sheridan, managing director at Goldman Sachs & Co. in Hong Kong. "Any time you limit any investor's ability to trade they lose confidence."

The Malaysian limits are the second this year by a major regional market to restrict trading by foreign investors.

In May, Bangkok prohibited the sale of Thai baht to foreigners inside the country in an effort to prop up the currency.

That led to a dual-currency system and prompted foreign investors to sell Thai stocks to collect baht, transfer the money overseas and sell it there at a premium. Thai stocks fell, and eventually the currency did too.

"People are concerned," Mr. Sheridan said. "Now two markets in a bear phase have put restrictions in. Could others do the same?"

In its lead editorial Friday, the South China Morning Post said the manner in which the Malaysian measures were announced late Wednesday "has scarcely inspired confidence in Malaysia's credentials as an international financial center."

Also hammering Hong Kong stocks Friday was the fact that a key interbank lending rate rose three-quarters of a percentage point to 9 percent, higher than the prime lending rate of 8.75 percent.

Rates have been rising as a means to discourage speculators from borrowing Hong Kong dollars in order to sell them and force the currency lower.

TALKS: *IRA Political Wing Invited to Participate for First Time*

Continued from Page 1

campaign of violence, which the party has always refused to do.

The invitation was welcomed by the Irish Republic, which is co-sponsor of the talks. They involve 10 political parties and the Irish and British governments.

The cease-fire that the IRA resumed nearly six weeks ago followed one that it called Aug. 31, 1994, and then broke in February 1996, asserting that the British government of Prime Minister John Major was not seriously interested in peace negotiations. That government was replaced by the Labour Party this spring.

When the talks resume, it is not certain that all the Protestant parties will face Sinn Fein across a table.

Some of the Protestants still say they want "proximity talks," in which the parties are in separate rooms with intermediaries shuttling among them.

Jeffrey Donaldson, deputy chief of the Ulster Unionist Party, the largest political organization in the province, said Friday that it would be "very, very difficult" for him and his colleagues to face Sinn Fein across a table.

"I do not believe they are committed to nonviolence," he said.

David Trimble, the head of the Unionist Party, has indicated that he wants proximity talks. Martin McGuinness, the second-ranking official in Sinn Fein and head of its negotiating team, responded that Mr. Trimble "should have courage" and "should listen to the people who elected him" and negotiate with Sinn Fein.

The Protestant unionists, who want to remain British, abhor the Sinn Fein goal of a united Ireland linked to the Dublin government in the south and free of British control.

Mr. McGuinness and Gerry Adams, president of Sinn Fein, insist that they will argue for a united Ireland at the talks but have made it clear that they do not expect to win this.

Ms. Mowlam said that a united Ireland was an objective that could be raised at the talks.

But she emphasized that no agreement would involve changes in the political status of Northern Ireland that are opposed by its Protestant majority.

The first issue the talks will deal with is disarmament of the IRA and Protestant paramilitary groups.

Sinn Fein and the Protestant loyalist parties linked to paramilitary groups, like the Progressive Unionists Party, say disarmament can only come as part of an overall settlement, at the end of the talks.

They are expected to last until the spring, when the British legislation authorizing them expires.

The larger Protestant unionist parties insist that some disarmament must start as the talks progress.

POLL: *Money Isn't Enough for Americans*

Continued from Page 1

lock births as a bigger threat than the return of economic bad times.

"The family has pretty much been destroyed," said the Reverend Kim Midanik, 54, a minister living in Long Beach, California.

Many of those questioned also said they were worried about crime. They were unconvinced by new government statistics showing that violent crime is down nationally.

The survey did find some modest improvement in the national mood. Fewer Americans now than in recent years said they were "angry" with the federal government. Still, just a third of those interviewed expressed satisfaction with the way government works.

One politician who has prospered, apparently from the economy, has been President Bill Clinton. Although his job approval rating slipped to 58 percent in the poll, down from 64 percent last month, this was the 20th consecutive Post-ABC News poll in which his job rating has topped 50 percent, extending back to July 1995.

A total of 1,526 randomly selected adults were interviewed Sunday through Wednesday for the survey. The margin of sampling error for the overall results was plus or minus 3 percentage points.

ITALIA: *Enticing the Germanic Soul*

Continued from Page 1

the same miserable place, so they never really change."

For centuries, Germans and Italians have conducted a complicated love-hate relationship. What Germans extol as order and rectitude are derided by Italians as anal compulsiveness; what Germans perceive as anarchic confusion is revered by Italians as flexible ingenuity.

Nonetheless, each culture finds virtues in the other that seem to draw them together. While Italians admire in Germans a sense of discipline that has always eluded them, Germans find inspiration in Italy's art, design and climate that is so refreshingly different from home.

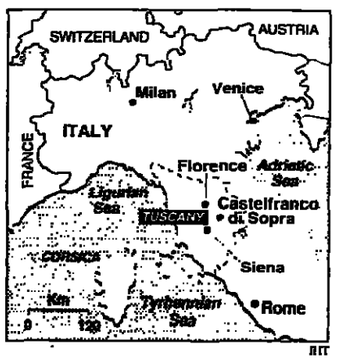
During the last decade, Florence and the surrounding countryside have become such a popular destination for prominent Germans that, for part of the summer, it seems that much of the nation's political and business elite packs up and moves to central Italy. Roberto Giardina, who has written an instructional book for his fellow Italians titled "Guide to Loving the Germans," cites a long list of German politicians who take their vacations in Italy as evidence that the German Parliament consists of two factions: a "Tuscany" group of younger German leaders and the traditional "Saumagen" list headed by Chancellor Helmut Kohl.

The Tuscany faction, which includes Oskar Lafontaine, the Social Democratic Party leader, and Joschka Fischer, the Greens luminary, is said to possess a modern European perspective, tinged with Latin sensibilities and a deeper sympathy for foreign cultures.

The Saumagen faction, named after Mr. Kohl's favorite dish of pig's stomach stuffed with lard, epitomizes the classic fatherland mindset that is redolent of sausage, beer and oompah bands.

"This is where Italy is really having an impact on Germany," Mr. Giardina said. "The young leaders, usually from the left, now indulge in the healthy habits of the sunny south. Kohl and the older generation seem to be fighting a losing battle with their Saumagen mentality.

"If more Germans join the Tuscany faction, then there is hope for Europe after all."



IHT

HISTORY: *A Small Victory in Japanese Teacher's Textbook Case*

Continued from Page 1

contrast, his opponents, including some 100 members of Parliament, insist that teaching schoolchildren about such atrocities fosters a loathing of Japan.

Nonetheless, pressure from Mr. Ienaga, other like-minded Japanese and the survivors of Japanese atrocities in South Korea and China has slowly softened the government's stance on textbook screening, and today schoolchildren learn more about atrocities than ever before.

Mr. Ienaga, 83, an award-winning historian who retired in 1986, entered the Supreme Court to the applause of hundreds of supporters, including scholars who had testified as professional witnesses for him.

At the same time, a small group of opponents jeered. In the Supreme Court ruling, Masao Ono, the presiding judge, said that since the existence of a Japanese bacteriological warfare unit had been "accepted by the academia," the Education Ministry's removal of a passage about its activities from one of Mr. Ienaga's textbooks was unlawful.

"While 'Unit 731' has not been revealed in its entirety, the existence of such a unit within the Japanese Imperial Army with the purpose of conducting germ warfare, and that the unit conducted live experiments on many Chinese and others, was accepted by the academia," the ruling said.

Unit 731, which has never been acknowledged by the Japanese government, conducted biological warfare experiments on live prisoners in Harbin in northeastern China. There were no survivors.

"Hence it was unlawful," the ruling said, for the Education Ministry "to order the deletion of the passage."

Mr. Ienaga had also asked the court to rule on whether the Education Ministry had the right to order him to delete or revise seven other passages in his school history textbooks.

The Supreme Court rejected his arguments about the remaining passages. They included descriptions of the Battle of Okinawa in which 160,000 residents died, some killed by Japanese troops, and of the Rape of Nanking in which up to 300,000 Chinese soldiers and civilians were slaughtered by Japanese troops.

The Education Ministry had asked Mr. Ienaga to write that most of the victims in Okinawa died in mass suicides and to tone down his descriptions of Japanese brutality in the Rape of Nanking in late 1937 and early 1938.

Clinton Picks Foley as Japan Envoy

Agence France-Presse

MARTHA'S VINEYARD, Massachusetts — The former speaker of the House of Representatives, Thomas Foley, has been nominated by President Bill Clinton as ambassador to Japan, it was announced Friday.

هكذا من الأصل

Sihanouk Returns Amid New Fighting

Reuters

SIEM REAP, Cambodia — King Norodom Sihanouk arrived back in Cambodia on Friday as factional fighting flared up in the northwest of the country despite a call from the king for peace and reconciliation.

Sihanouk arrived in the northwestern town of Siem Reap on his first trip home since Hun Sen ousted the king's son, Prince Norodom Ranariddh, as co-prime minister in July.

The king, 74, flew in from Beijing, where he has been receiving medical treatment for several ailments since February, and said at the airport that his message for his people was one of peace and reconciliation.

He was greeted by the acting head of state, Chea Sim, and other government leaders, including Mr. Hun Sen and the newly appointed first prime minister, Ung Huot. The king, a constitutional monarch, has made clear his disapproval of Mr. Hun Sen's overthrow of Prince Ranariddh on July 6 and said he still recognized the prince as a legitimate prime minister.

Government leaders later met Sihanouk for about an hour at the king's villa in the center of town. Afterward, Mr. Hun Sen told reporters that the talks with the king had been "very good" but he declined to elaborate.

Despite the king's call for peace, artillery and small arms fire flared up around the contested Cambodian border town of O'Smach, 100 kilometers (60 miles) northwest of Siem Reap, as the king was arriving, witnesses on the Thai side of the border said.

A Thai military source said Friday that field radio intercepts from Cambodia indicated that Mr. Hun Sen's troops were closing in on pockets of royalist guerrillas pushed up against the border with Thailand.

Darren Whiteside/Reuters

King Sihanouk, left, and Hun Sen greeting each other Friday at Siem Reap airport. The king returned to Cambodia from Beijing, where he has been getting medical care.

UN Adds to Sanctions on Angola Group

By John M. Goshko
Washington Post Service

UNITED NATIONS, New York — The Security Council has imposed air and travel sanctions on Angola's UNITA movement in an effort to deter the former rebel force and its longtime leader, Jonas Savimbi, from increasing tensions that threaten to rekindle Africa's longest civil war.

The 15-member council unanimously endorsed the sanctions after Secretary-General Kofi Annan reported that UNITA had failed to heed past UN calls to demobilize its troops and supply accurate accountings of how many men it has under arms.

UN officials also said UNITA, the acronym for the National Union for the Total Independence of Angola, had flouted earlier council sanctions barring acquisition of arms by continuing to import large amounts of weapons from abroad.

The sanctions resolution was cosponsored by the United States in a move that seemed to mark a final break with Mr. Savimbi, once a favored proxy of Washington during its Cold War struggles against Communist penetration of Africa.

The Thursday sanctions require all UN member states to bar the entry, transit or residence of senior UNITA officials and their adult family members unless on official business of the Angolan government. All UNITA offices in UN countries must be closed.

In an effort to stop weapons supplies from reaching the movement, the resolution bans all flights from or to any destinations inside Angola except those authorized by the Angolan government. Aircraft, plane parts, flight insurance and engineering services must be denied to UNITA, and aviation equipment can be brought into the country only through government-designated entry points.

The resolution calls on UNITA to completely demilitarize all its forces, transform its radio, called Vorgan, from a propaganda organ to a nonpartisan station and cooperate fully with the establishment of state administration in those areas under its political and military control.

The sanctions go into effect Sept. 30 unless Mr. Annan certifies that UNITA is moving toward compliance, and the resolution warns that the council will consider further financial and trade sanctions if the movement remains uncooperative.

Council members were unanimous in emphasizing that their aim was not to punish UNITA but to get Angola firmly on the road to peace. To that end, the resolution called on the Angolan government to give movement the incentives to take an important and meaningful role in governing the country.

Russia Denies Reports of Arctic Atom Test

Agence France-Presse

MOSCOW — Russia on Friday categorically denied U.S. reports that a nuclear-type explosion had taken place near a test site in the Arctic, and said that the seismic event that was detected had been a normal earth tremor.

Viktor Mikhailov, Russia's atomic energy minister, told Itar-Tass news agency that Russia's Novaya Zemlya nuclear test site was "closed," and that Russia was "fulfilling to the letter" the Comprehensive Nuclear Test Ban Treaty signed in 1996.

"In this case, there was an ordinary earth tremor measuring one to two points in the Kara Sea, about 100 kilometers from Novaya Zemlya. This is a seismic area, and that is well known," he said.

On Thursday, U.S. officials said a seismic event resembling a nuclear test had taken place around Aug. 16 near Novaya Zemlya and that Washington had asked Moscow for an explanation. Pentagon spokesmen said the seismic event had "explosive characteristics" and was consistent with a nuclear test, but that a conclusion had not been reached.

BRIEFLY

Taiwan Cuts St. Lucia Ties

TAIPEI — Taiwan said Friday that it had severed diplomatic ties with St. Lucia in response to the Caribbean island's recent efforts to court China.

The Foreign Ministry said St. Lucia's governing Labor Party had been actively pursuing ties with Beijing since it won an election in May.

"The Republic of China government thinks the action of the St. Lucia government has severely damaged our country's interest and dignity," the ministry's statement said.

Taipei's decision came a week after local media reported that the St. Lucia cabinet decided after a 13-hour debate on Aug. 21 to switch ties to Beijing. *(Reuters)*

New Zealand Probes Virus

WELLINGTON — The government vowed Friday to find whoever illegally imported a rabbit-killing virus after farmers acknowledged spreading the disease to save their grazing lands.

To many New Zealand farmers, rabbits are vermin that eat crops, denude the land and cost billions of dollars in agricultural losses. A group of Mackenzie area farmers confirmed that they had been spreading rabbit calicivirus disease throughout the South Island for the last two months.

The virus spreads rapidly through rabbit populations, causing death by internal hemorrhaging. Officials said that farmers would not be prosecuted, but that they were seeking the importers of the virus. *(AP)*

Pakistan-India Exchange

MUZAFFARABAD, Pakistan — Pakistani troops exchanged fire with Indian forces across the line dividing Kashmir on Friday, but no casualties were reported, a military source said.

He said the two sides had fired at each other with light arms in the Karila Haripur area of Kotli district and the border villages of Leepa and Chakothi, both in Muzaffarabad district.

Military activity along the 720-kilometer (445-mile) Line of Control has subsided in the last few days after Indian and Pakistani forces used artillery and mortars during the weekend.

The military source said Indian firing had killed eight civilians, six of them women, and wounded a score in the last week, most of them last Saturday and Sunday. He said one woman was killed and two people were wounded on Thursday in the village of Karila Haripur. *(Reuters)*

Ramos Urges Tax Action

MANILA — President Fidel Ramos urged legislators Friday to stop bickering over constitutional amendments that would allow him to run for a second term and focus instead on the passage of economic bills.

"What Congress needs to do, and I am not to dictate to them because they are doing their things under their own mandate, is to give priority to our economic program," Mr. Ramos told reporters.

"I've been prodding Congress to concentrate on our 29 top priority measures in the common legislative agenda and not on the other thing that has suddenly cropped up," he added.

He said he would like to see passage of the final component of a tax package, the last reforms needed to exit from International Monetary Fund supervision. *(Reuters)*

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Pyongyang's Blackmail

On Tuesday afternoon, after announcing the defection to the United States of two North Korean diplomats and their relatives, a State Department spokesman said that "we have no reason to believe" North Korea would in response cancel ongoing bilateral negotiations. That night North Korea canceled the talks (on missile proliferation). The next day, a White House spokesman said North Korea's decision to cancel "was not unexpected."

In truth, few outsiders know what to expect from North Korea's secretive, police-state regime. Along with Cuba and China, it is one of the world's last avowedly communist nations, and easily the most isolated and regimented. Is North Korea's so-called Dear Leader, Kim Jong Il, totally in charge? Hard to say. Is there famine among North Korea's 23 million people? Yes, but how widespread is much disputed. The economic system seems to be failing, but political control seems to be holding — yet no one is sure.

The latest defections, including that of the highest-ranking North Korean diplomat ever to come to the United States, may or may not bespeak broader discontent among the ruling elite. Most important, the hypermilitarized North might or might not lash out violently at South Korea as its economy withers.

It is this very unpredictability and potential danger that explains the attention U.S. officials lavish on this failing state. A kind of blackmail is at work. The United States and its allies provide North Korea with nuclear energy plants in exchange for Pyongyang's abandoning its nuclear-weapons program. The U.S. government sends modest amounts of food aid, and in return — although no one admits this quid pro quo — North Korean officials sit down for peace talks. U.S. officials dangle the prospect of reduced economic sanctions if North Korea will stop selling missiles to U.S.-declared "rogue states" such as Iran. North Korea's misbehavior is its only chip; the latest walkout has to be seen in that context.

This capitulation to blackmail is justified on the grounds of a search for a "soft landing." The North Korean system cannot long survive, the thinking goes, but it is in everyone's interest for it to disappear peacefully and gradually — without a war on the South, a wave of refugees, mass starvation or chaos.

There must, however, be limits to Western accommodation. The Clinton administration fortunately drew one such line this past week when it admitted the defecting diplomats despite North Korea's harangues and walkout. It rightly has refused to provide massive food aid without better controls to ensure, for example, that rice does not go straight to the army.

The West is right to encourage North Korea out of its isolation, but it also should remember which side is holding the weaker hand. As long as South Korea and the United States maintain strong defenses across the Demilitarized Zone, they can afford to wait patiently for North Korea to return to the table.

—THE WASHINGTON POST

A Poor Israeli Choice

Had you thought things were quiet on the Israeli-Syrian front in this otherwise stressful summer of Israeli-Palestinian discontent? The Israelis have chosen this interlude — no military crisis, no peace talks — for an unhelpful political initiative involving a new dam on the Yarmuk River. The previous Labor government had selected one site in undisputed territory. The current Likud government has chosen a new site a mile upstream in Israeli-held territory claimed by Syria. It seems the initiative came from Ariel Sharon, the "national infrastructures minister," and has been endorsed by Prime Minister Benjamin Netanyahu.

But why a new dam site, and why now? If Israel is serious about negotiating a peace with Syria when circumstances ripen, then it cannot simply and suddenly create new facts on the ground on its own. Nor, if it is to be prudent, can Israel casually make unilateral decisions in the volatile area of regional water resources.

Mr. Netanyahu is said to want to signal the Syrians that he rejects their demands to go back to the pre-1967 war borders. But the signal he is sending is that his government is chewing up the basic land-for-peace formula that the state parties, including Israel, have accepted for nearly 30 years.

Secretary of State Madeleine Albright is planning to go to Damascus to talk with President Hafez Assad on her first official trip to the Middle East next month. The dam site decision is hardly the most important item on her Syrian agenda, but it puts her in the defensive position of having to account for an arbitrary Israeli move. Israel has large and major security concerns that must be worked out with any new relationship with Syria and that can be worked out only with the active participation of the United States.

Why would a sensible Israeli government of any political stripe want to further complicate its relations with its one great patron, on an essentially diversionary issue, at a moment when a difficult new phase is opening up in Middle East peace-seeking?

—THE WASHINGTON POST.

Teamsters and Democrats

After decades of corruption and mob influence, the teamsters' union has not had an easy time cleaning up its reputation. It would thus be a sickening irony if those involved in the union's latest problems turned out to include the Democratic Party. What has come to light so far suggests that a scheme was at least discussed in which the Democratic National Committee would raise money to help Ron Carey, the teamsters' president, in his re-election campaign last year in return for teamsters' contributions to the Democrats.

The Justice Department is said to be investigating the Democrats' links to the teamsters as part of its general examination of fraud in the union's election. Two union consultants have been indicted for allegedly diverting union funds to Mr. Carey's re-election effort by laundering them through independent groups. On the basis of these allegations, a court-appointed monitor has nullified Mr. Carey's victory.

The monitor, Barbara Zack Quindel, did not address the question of whether the Democratic Party was also involved in the fraud charges. But The New York Times and others have reported that Richard Sullivan, a former senior official of the Democratic National Committee, had suggested that the party's assistance to Mr. Carey's election campaign would encourage contributions by teamsters. Such assistance would be against the law, which prohibits anyone outside a union from giving money to a labor official to influence his actions. The Democratic National Committee maintains that any such suggestion was neither agreed to nor put into effect.

For much of its recent history, the teamsters were reliable supporters of Republicans, but that changed with Mr. Carey's election in 1991. In the last election, the teamsters have by some accounts contributed more than $2.5 million to Democrats.

Whatever turns out to be the truth in this case, there is no question that both Mr. Carey's and President Bill Clinton's re-election last year drove their organizations to extremes in their desperate need to raise funds. Whether that desperation drove them into each other's arms remains to be proved. But the Justice Department needs to investigate the issues aggressively. The very possibility that such linkage existed provides yet another reason Janet Reno, the attorney general, should seek the appointment of a special counsel who can guarantee that the inquiry would be conducted impartially.

Perhaps the most important change would be a ban on open-ended party contributions by labor unions, corporations and wealthy individuals: the "soft money" donations that circumvent federal limits on donations to individual candidates. Supporters of legislation to ban soft money say they will try to bring it up in the Senate next month. The teamsters' case makes it all the more urgent to ban soft money as a major step toward cleaning up the nation's political pollution.

—THE NEW YORK TIMES.

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When Science Is Wrong and Theory Turns Deadly

By William Pfaff

PARIS — Until now it has been an unpleasant little secret that the countries which consider themselves the most advanced and civilized have been sterilizing "undesirable" people or taking their children away from them in order to improve the "race." This was going on until the mid-1970s, in some places.

In Sweden, more than 60,000 people were sterilized against their will, or in their ignorance, between 1935 and 1976. These were mentally or physically handicapped people, or those congenitally ill, or socially "undesirable" women who had "too many" children and were considered living "bad lives."

Among them were also Gypsies, vagabonds and people who were not "of pure Swedish race" (as that race was supposed to look, as set forth in a series of engraved plates produced at the Institute of Racial Biology in Uppsala in 1922).

But let's not single out Sweden. The same thing was going on in other Nordic countries, and in Switzerland.

It was going on in the United States of America. As late as 1943, 30 of the then-48 states had laws on sterilization of the genetically "unfit." In most states sterilization could be performed without the consent of the victim.

The rationalization for all this was a theory for improving mankind proposed by a cousin of Charles Darwin, Francis Galton (1822-1911). It was based on Darwin's arguments about natural selection in the plant and animal kingdoms. It said that humans should be "bred" in order to eliminate the allegedly unfit and to promote the propagation of the allegedly superior.

Eugenics, so-called, became a popular social cause in Britain after the Boer war, stimulated by the fear that Britain's troubles were the result of "degeneration" of the British "race." Later it was a response to manpower losses in World War I.

From that period until the 1950s, British children's charities were sending children confided to them (some illegitimate orphans, some simply the children of people who could not afford to support them) to institutions in Australia, where some ended in more or less the condition of indentured servants, cut off from their origins.

All of this was based on clear assumptions about which "races" are superior and which inferior. Burned in today's Australian consciousness is a comment made by Winston Churchill in 1942, when he diverted Australian troops to doomed Singapore, in place of British divisions. It was revealed only 50 years later. He said the Australians could be sacrificed because they were "bad blood."

The United States at that same time was unconstitutionally interning its Japanese citizens in concentration camps, and drafting black citizens mainly to segregated army labor and transport battalions. Blacks weren't allowed in the navy or Marines. The Navy Department believed they didn't have what it takes for combat, and that white Americans would not share quarters with them on ships.

That is the way people thought, including some who might seem the least likely to have thought like that. In Israel, even in the late 1940s, when the Israeli state had barely been established, it now is revealed that hundreds of children of immigrant Yemeni Jews were literally stolen from their Arabic-speaking parents for adoption by families of European Jewish origin.

The blood of Ethiopian Jews was for a time segregated in Israel's blood banks. The whole relationship between Israelis and Arabs, from the time of Mandate Palestine to the present day, has been tinged by racism.

One must judge all this in historical perspective. The Darwinian analogy with plant and animal kingdoms seemed convincing. Programs to "improve" the race seemed progressive, which is why Social Democratic leaders in Scandinavia were particularly attracted to them, as well as "progressive" thinkers elsewhere.

These ideas were also congenial to an intellectual generation in the United States and Europe given to larger theories of social engineering and social planning. Eugenic programs resulted from the "best" scientific opinion of the time, the "best" medical opinion, and clearly were ordered and carried out with the best of intentions.

If some individuals suffered, that simply was the price of progress.

Nazism gave all of this a bad name. There is a nervous refusal now to admit that any differences at all exist between groups of people. It is all but impossible to talk about "race." Probably this is a good thing. Possibly it is not, since there may eventually be a cost to be paid for the pretense that there are no problems here.

The lessons would seem to be that progressive theories can be deadly, and when theories require that people be made to suffer here and now in the cause of some grand future project, we should just say no. The second lesson is that scientists can be just as wrong as the rest of us, but when they are wrong the consequences can be worse than being wrong in other professions. The implications of this experience with eugenics suggests that we should be particularly cautious about the genetic engineering which some scientists now promote as offering us, once again, a vast improvement to mankind.

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August in Washington: A Blessed Month of Friday Afternoons

By Jim Hoagland

WASHINGTON — Circumstance or perversity occasionally motivates me to spend all of August working in the nation's capital.

Both contributed this year, and I want to thank them. Heading into Labor Day, those who stayed behind celebrate the August that wasn't.

Washington normally earns the title of Lagos on the Potomac in these 31 days. Not this August. Spared little else in a year of municipal disaster and misrule, Washington escaped most of the sullen Conradian days of the tropics that annually turn the streets into a skein of Turkish bathhouses by 11 A.M.

If Marion Barry won't watch over us, Someone Else will. How else to explain an August of sparkling blue skies, golden weekend afternoons with municipal tennis courts easily available and quiet evenings on which downtown parking places and tables at good restaurants go begging?

In a news sense, the picture was more complex. Little of significance has occurred abroad or at home so far this August. Unless the few remaining hours of the month bring forth something cataclysmic, the best that journalists and diplomats could stir up overseas was a struggle in Bosnia over how to pronounce Biljana Plavsic and Radovan Karadzic.

But the fact is August has recently become a blockbuster news month, be it Saddam Hussein invading Kuwait, Mikhail Gorbachev getting overthrown and restored, Bill Clinton speeding past a motionless George Bush in polls to eventual victory, or Mr. Saddam invading Kurdistan last year.

So where was the Iraqi dictator this month? Probably on vacation. Even bloodthirsty tyrants could use a day off.

I'll take credit for the prevailing international quietude, just as your bringing an umbrella to work guarantees it will not rain. I was here, poised by the word processor, as I was not in August of 1991. That year, I awakened on a remote Spanish Mediterranean island to the news of the Soviet coup. Loud gnashing of teeth and many cuss words followed. I had for the first (and last) vacation decided not to bring along even a typewriter. Boris Yeltsin and the tanks showed me the folly of the ambition to be ambitionless, even temporarily.

At home, the best this summer produced was the discovery that the Clinton White House has given campaign fund-raising — and giving — a bad name.

Done nothing wrong, the president muttered before fleeing the Potomac to disappear into the manicured wilds of Martha's Vineyard. He protested that he would have committed "unilateral disarmament" if he had refused to host cash-laden convicted felons, Chinese arms merchants, New York investment bankers and others with the price of admission to the White House. Some cast of characters. Some logic.

But the story line of this year's campaign finance scandal shifted as it became clear that the Clintonites had industrialized the selling of access to the president. They set up assembly lines Henry Ford would have envied. And they gave guilt by association new depth.

The first stories blasted the president and Congress for associating with the assorted sordids who paid the politicians' television advertising bills. The suggestion that the Chinese Communists had slipped campaign money to Manchurian Candidates in the United States especially made American hair stand on end.

But now it is the reputation of the fund givers that is sullied by being associated with this White House. When The Washington Post prominently displayed a story about Maurice Tempelsman on Page One on Aug. 2, it jammed the damning phrases "international diamond dealer" and "a generous contributor to the Democratic Party" into its opening 12 words. The newspaper then presumably wounded Mr. Tempelsman forever by disclosing in the second paragraph that he was "a frequent White House visitor."

How would you like to be called that right now?

Mr. Tempelsman is a legend in African political and business circles for his moneymaking abilities and daring. He had come to the White House to discuss a creative, if improbable, plan to reconcile Angola's UNITA rebels with the government. For that impudence he must go through life known as "a frequent White House visitor." Tough luck, Maurice.

Convicting people of being frequent White House visitors was about all the outrage we who stayed behind could muster in a mellow D.C. August. After this Labor Day we will neither look nor act like bandaged survivors of Shiloh or Verdun, shuffling out of the way ashamedly as the tanned, relaxed and condescending vacation forces return to the office. We, too, have memories.

It was not the month of Sundays that August in Paris is.

But this year Washington in August was a month of Friday afternoons. I'll settle for that any year.

The Washington Post.

Who's Going to Rein In the Tin-Pot Immigration Dictators?

By Anthony Lewis

WASHINGTON — Martina Diederich was in a German tour group traveling around the United States three years ago when she met Baxter Thompson near New Orleans. They fell in love, visited each other's families, got engaged. A year ago, they were married.

What followed was not bliss but, thanks to the U.S. Immigration and Naturalization Service, a nightmare.

Mrs. Thompson came to the United States on a visitor's visa. After their marriage, she applied to adjust her status to permanent resident. They planned to live in Alexandria, Louisiana, where Mr. Thompson had a contracting business.

Last February, the couple went to Germany to visit her parents. Before leaving, each called the New Orleans office of the INS and asked whether it was all right for her to leave the country while her application for permanent residence was pending. Each was told yes. That advice was false.

When Mrs. Thompson flew back to New Orleans, in March, she was told to report to the immigration office within 30 days. She and her husband went there on April 14. Her name was called, she went into an office — and didn't come back. After a while, Mr. Thompson asked where she was. An official answered: "She's in jail."

Mrs. Thompson had been taken to the New Orleans Parish Prison and held there for eight days. Her husband was not allowed to visit her. On the eighth day, with no notice to Mr. Thompson, she was taken in handcuffs to an airplane, chained to her seat and flown to Germany under guard. Her mother, told that she would be on a plane to Frankfurt, drove eight hours from her home near Hanover to meet her there. The plane landed in Hanover.

Why did all this happen? Because she was not supposed to leave the United States while her application for adjustment of status was pending. Mrs. Thompson had a valid visitor's visa. But the immigration officials knew she wanted to be a permanent resident, so they classified her as someone trying to enter the country by fraud. And they treated her as if she were a vicious criminal.

Mr. Thompson tried to keep his business afloat in Alexandria under the strains of separation. But two weeks ago, he gave up, sold everything and went to join Martina in Germany. So far, lawyers' bills and other things have cost the family upwards of $10,000. "This beautiful little lady," her mother-in-law, Cynthia Thompson, said of Martina. "I never would have imagined this could happen in the United States."

Under the immigration law passed last year, anyone who comes to the United States without the right documents is subject to "expedited removal," without a hearing or review, and is banned from the United States for five years. Mrs. Thompson is trying to have the ban waived.

The immigration officials in New Orleans could easily have told Martina Thompson that she had made a mistake and should fly back to Germany on her own and apply there for an immigrant visa. That way she would not have been banned for five years for an innocent mistake. But they wanted to show their power.

"Here's an agency that's historically notorious for arbitrary action," the Thompsons' lawyer, Lawrence Fabacher of New Orleans, said. "Under the new law it has been given powers that increase exponentially its opportunities to act arbitrarily. This family has been devastated."

When British immigration officials recently acted outrageously, John Prescott, acting as prime minister in Tony Blair's absence on vacation, intervened to correct them as soon as he heard the news. Is anyone in our government ready to call our tin-pot immigration dictators to account? And is anyone ready to lead the way to amendment of a law that gives bureaucrats such dangerous, unreviewable power?

The New York Times.

'Shavings From a Bar of Silver'

By George F. Will

ASHEVILLE, North Carolina — On a clear day you can see Cold Mountain from here. What Charles Frazier calls its "blue bulk" is about 40 miles yonder. And Americans by the hundreds of thousands are traversing the "clouded, humped" terrain hereabouts by reading Mr. Frazier's spellbinding novel "Cold Mountain."

The story of the novel's success speaks well of the nation's literary taste and the publishers, reviewers and booksellers who shape and serve it. This is a story like the one the novel tells, one of regional and local particularities, with national resonance.

Mr. Frazier, 46, who toiled on this, his first novel, for six years, lives over near Raleigh, where he and his wife raise horses and a daughter. His novel takes readers on a long, eventful, sometimes harrowing walk from a Confederate hospital in Raleigh to the mountain late in 1864. It is a trek Mr. Frazier imagines for his great-great-uncle Inman, who, like his namesake in the novel, left the Confederate cause after Petersburg.

Inman's is a walk on the wild side, through a semifrontier society on the losing side of a war. The murderous Teague and the Home Guard — and some of the book's darkest moments — come from the historical record.

"Cold Mountain" is not a Civil War novel like, say, Michael Shaara's "The Killer Angels." It is not about famous men fighting familiar battles. Rather, "Cold Mountain" is a love story involving a soldier who has learned "how frail the human body is against all that is sharp and hard" and who is seeking "a life so quiet he would not need ears." He hopes that by reaching Ada he can blink away "the metal face of the age" and put away what years of warring have given him: a sense of being nothing but "a hut of bones."

Mr. Frazier breathes new life into delectable old words of regional dialect (a foolish person is "clodpated"). He writes like a man frolicking in the language with the energy of the trout he describes as "bright and firm as shavings from a bar of silver."

His book's success radiated from the Southeast region, where every bookstore and newspaper received galleys or early copies. The publisher, Morgan Entrekin of Grove/Atlantic, believed the book justified the gamble because "when you finish it you can't not talk to someone about it."

A grand fact about contemporary America is that the literary marketplace works remarkably well. It does because the brotherhood and sisterhood of the book business — including publishers, their traveling representatives, reviewers for local newspapers and booksellers — love books.

Elaine Petrocelli and her husband run Book Passage, an independent bookstore in Corte Madera, just outside San Francisco. The store, a sort of year-round literary seminar, has about 400 author events a year. She says that by the time their initial order of 40 copies of "Cold Mountain" reached her store, the staff was passionately committed to the book. They have now sold 180 copies.

Mr. Frazier credits similar stores nationwide, such as the one in Blytheville, Arkansas, called That Bookstore in Blytheville, and Lemuria in Jackson, Mississippi.

By now "Cold Mountain" has ignited a self-sustaining word-of-mouth chain reaction. The first printing, around Memorial Day, was 25,000. Shortly after Labor Day the 13th printing will put the total over 500,000. For Mr. Frazier, and for friends of serious literature, the numbers are (to borrow his words) as soothing as creek noise.

Washington Post Writers Group.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Zionist Congress

BALE — The Zionist Congress addressed a telegram to the Sultan, thanking His Majesty for the good treatment accorded to Jews in Turkey. At the sitting of the Congress to-day [Aug. 30] the Zionist programme for the re-establishment of the Jews in Palestine, with publicly recognised rights, was unanimously adopted amid applause.

1922: Minor Border Flap

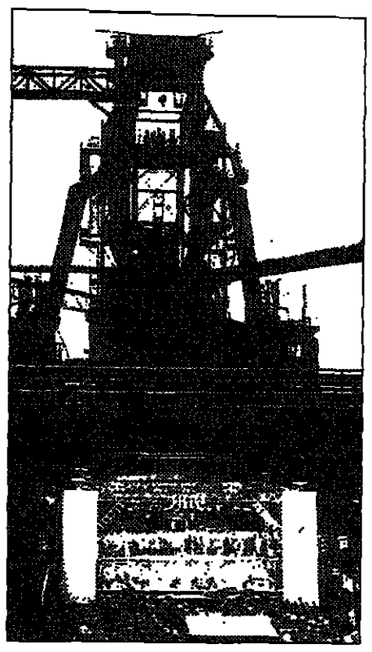
SAN DIEGO — American flappers must do their flapping on the Volstead side of the international boundary, at least so far as Southern California is concerned. Mr. Herbert Sallee, probation officer for San Diego County, has declared an embargo on unchaperoned minors at the Customs gate to Tia Juana and will urge that similar action be taken at all border cities. According to him, scores of youngsters have been entering Mexico in search of pleasures banned this side of the line. A 14-year-old girl, from San Diego, eloped across the boundary with a 21-year-old Mexican last week and was married in Tia Juana.

1947: Bullfighter Dies

MADRID — Manuel Rodriguez — Manolete — the greatest and wealthiest bullfighter the world has ever seen, died after being gored by a bull. When he turned to acknowledge wild applause from the crowd, a wounded bull charged him from behind. It was a bull of the Midra breed which Manolete had refused to fight because it was not suitable to his style. Manolete, who was thirty, was a direct contrast to the popular idea of a bullfighter. He was more than six feet tall, rather thin, and slightly knocked-kneed. His big sad eyes were the delight of the caricaturists.

Forging New Beauty Out of Ruhr's Ugliness

By Michael Gibson
International Herald Tribune



Symphony concert at a former steel mill, now an arts venue, in Duisburg.

GELSENKIRCHEN, Germany — Resembling nothing so much as an oversize oil-drum, the Oberhausen Gasometer can hardly be called a thing of beauty. Yet this landmark, built in 1929 and closed in 1988, was recently recycled and is now a vast, impressive exhibition hall on two levels.

The rest of the 118-meter (387-foot) building towers above the visitor, a dark and overwhelming space capped with a distant ring of skylights. A glass elevator takes one to the roof of the structure and a windy view of the surrounding landscape.

Responsible for this transfiguration is an institution misleadingly called the International Building Exhibition or I.B.A. (International Bauaustellung Emscher Park). Established in 1989 by the government of North Rhine-Westphalia to clean up and help transform a gutted Ruhr area where most coal mines and steel mills have closed down over the past 20 years, I.B.A. has a 10-year life span and, by the end of its mandate, will probably have spent some 4 billion Deutsche marks ($2.2 billion) on more than 100 projects, about 20 of which involve the arts.

With its dwindling population, the Ruhr today is heir to some monstrously beautiful industrial installations. It is also saddled with the Emscher, once a fresh and winding river, now a 70-kilometer (40-mile) open sewer that voids its refuse into the Rhine.

The "Emscher Park" in the organization's title signals that the greening of the Ruhr is a priority. Housing, too, is a big issue and I.B.A. has prompted the construction or renewal of 6,000 lodgings.

But the changes have also led to the destruction of a number of the region's weirder and more memorable structures. This prompted I.B.A.'s director, Karl Ganser, to gather a staff of advisers, including Christoph Brockhaus, curator of the Lehmbruck Museum in Duisburg, to determine which buildings should be preserved as landmarks — and what should be done with them.

THIS initiative has led to some surprising transformations. The Gasometer was one, the former Thyssen steel mill near Duisburg another. With sprawling grounds and a mass of magnificently ugly machines, it has become a spectacular venue for concerts, theatrical events and art exhibitions. The site is much visited in the evening by people who come to see its baroque forms drenched in colored lights installed by Jonathan Park — who also handles such matters for Pink Floyd and the Rolling Stones.

The Zollverein XII coal pit in Essen-Kaltenberg shut down in 1986. Built in the 1920s by Peter Schupp, an architect, and Martin Kremmer, an engineer, it is the largest (and some say the most beautiful) colliery built anywhere in the world at that time.

Its Bauhaus elegance has made it a hopeful candidate for the Unesco World Heritage list, and the interior of its boiler room has recently been refurbished as a design center by the architect Norman Foster.

In neighboring Gelsenkirchen, Nordstern, another major colliery built by the same team, was largely destroyed before Brockhaus got to it. Yet he was sufficiently impressed by what remained to suggest creating a permanent installation there. Turning to the German composer Hans Ulrich Humpert and the Israeli artist Dani Karavan, he invited them to create a *Gesamtkunstwerk* in the two remaining buildings and the long conveyor belt ramp connecting them.

Humpert's music, a collage of accordion, mechanical sounds and choral singing, eloquently punctuates Karavan's sensitive, minimal treatment of the industrial site and its machinery. Karavan has preserved and sometimes framed some of the machinery under glass, while also using other materials, including plants, coal, steam, and even X-rays of miners' lungs.

Progressing through the blackened buildings and glimpsing here a brick wall impressed with photographs of miners' grimy faces, there another one covered with gold, visitors understand that the site they are walking through has become a memorial to generations of men who led harsh and sometimes dangerous lives below ground.

Karavan is currently working on a project for the renovation of Duisburg harbor, where a synagogue designed by Zvi Hecker will also be built to serve 3,000 Jewish faithful (mainly immigrants from Russia) now living in the area.

A Melting Pot, Where East Met West

International Herald Tribune

WASHINGTON — It was one of the most astonishing meetings of East and West. That Iranian culture propagated by Turkish rulers on the Indian subcontinent should have come to mix there with strains of West European influence brought in by Christian missionaries and traders sounds improbable enough.

But it happened, and the visual outcome was just as strange, as may be seen in a fascinating two-part art exhibition at the Arthur M. Sackler Gallery. Part One, organized by Milo C. Beach, director of the Sackler and a

SOUREN MELIKIAN

leading scholar in the field, is devoted to the 44 illustrations of a Persian chronicle on loan from the Royal Collection at Windsor Castle, the "Padshah Nama," which records events under Shah Jahan (1628-1659). It is on view here until Oct. 13, then will reopen at the Metropolitan Museum in New York on Nov. 18.

Part Two, "The Jewel and the Rose: Art for Shah Jahan," an outstanding anthology of paintings and calligraphy from Iran and Islamic India lent by the collector Abolala Soudavar, can be seen until Feb. 1. Beautifully hung by Massumeh Farhad, associate curator of Islamic Art, it serves as an illuminating backdrop to the "Padshah Nama" show.

A few 15th-century calligraphic folios from Herat, the great metropolis of the East Persian-speaking world, illustrate the Iranian art of the book in its form most admired by the Mogul emperors. Two pages from a manuscript of Ferdowsi's 10th-century poem in 50,000 couplets, "The Book of Kings" ("Shah-Nameh"), commissioned by Shah Tahmasp (1524-1576), are a reminder that after staying at the Iranian court in 1544, Emperor Homayun persuaded one of its masters, Mir Sayyid Ali, to come to Lahore, where he set up a new atelier. Thus did the Mogul school begin in the 1550s.

In the following 70 years or so, artistic developments of a complexity that has yet to be unraveled, took place. Painters from all over Hindustan, as Islamic India was known to East and West alike, flocked to the Mogul court. A different spatial organization, a new interest in the natural world, vegetal and animal, a growing concern for distinctive portraiture, appeared in their works. While the Persian poetry of Islamic India, produced in huge quantity, was in the main indistinguishable from that of Iran, its painting moved light years away from its sources, irrepressibly attracted to experimentation and exoticism.

Eastern-fashion chinoiserie took off like wildfire under Jahangir (1605-1627). Western engravings, Netherlandish paintings, even small English miniature portraits were interpreted in the Eastern technique of book painting.

Yet, all along, a very Iranian tradition must have been kept up. A remarkable manuscript of "The Rose Garden" by the Persian poet Sa'adi belonged to Shah Jahan. One of the miniatures signed by Balchand, whose name tells us that he was a native Indian, points to a deliberate return to the format of the late 16th-century Iranian school. A tendency to adumbrate trunks, rocks, clouds, the personalized expressions of the characters betray, very slightly, the impact of Europe.

H.M. Queen Elizabeth II, the Royal Library, Windsor Castle

"The Death of Khan-i-Jahan," by 'Abed, circa 1633.

WITHOUT that aptitude of Mogul artists to function in multiple modes, the "Padshah Nama" would be incomprehensible. One of its paintings, signed by the same Balchand, is totally different in its rendition of a dramatic episode — as a lion was clawing a hunter it had thrown on the ground, Prince Khurram, the future Shah Jahan, rushed forward to strike it with his sword, saving the hunter.

The paintings signed Payag in "The Rose Garden" and the "Padshah Nama" do not resemble each other either. Payag's painting of young Prince Khurram presented with a ruby and pearl aigrette by his father, Jahangir, is a Mogul exercise in internationalist painting. The scene is set in the Hall of Public Audience, the Diwan-i Am, at Agra. Jahangir is seated in a gallery on first-floor level. A rug of Western design is thrown over the marble railing. On the wall behind Jahangir, painted panels at the top represent Jesus holding up the globe of the world, flanked by a man looking like a Dutch burgher and by a peasant woman with a head scarf, as if Joseph and Mary had been intended by the artist. Far to the right, Mary appears again, copied from some Italian model.

Jesus, in Islam, is a major prophet and a Koranic Sura (chapter) is devoted to Mary, who is highly revered. An early Arab source describes the Prophet Mohammed shielding with his hand the image of Mary in the Kaaba while pagan images were being whitewashed.

Payag, who took the bold step of representing them in Western garb, must have been aware of this. He was also clearly acquainted with Persian literature. The age-old notion of the bull and lion, or other conflicting species, reclining together in peace thanks to the universal justice dispensed by the sultan, sung by poets like Anvari, is illustrated in the middle of the image. Add a lighthearted sense of the incongruous. At the top of a pole carried by one of the officers is a gilded bronze finial inspired by an early Baroque chimera, slightly Indianized.

For idiosyncratic originality, however, Payag was outdone by 'Abed, whose grim rendition of the execution of rebels is one of the most surprising images ever painted in Hindustan. It betrays extensive exposure to European models. One of the faces could have been lifted from some portrait by Francois Clouet. A touch of Baroque Surrealism in the Italian taste can be detected in the handling of the knee protections of a standing warrior. Done like Venetian masks, they snarl in disgust at the gory scene that they witness.

In another painting, 'Abed shows he knew something about German drawings on blue paper from the Danube school. Depicting the reception of Prince Khurram by his father, Jahangir, in the Diwan-i Am, he painted on a wall the grisaille figure of a mullah holding the globe as two angels hover above him. The angels look Germanic at first glance. On closer inspection, one is seen to hold his arm pressed across his breast and the other to be joining his hands. Thus, the first angel deferentially salutes in the Islamic Iranian fashion and the other in the Indian way. The multicultural sophistication of Mogul artists had no limit.

IT is a difficult exhibition to follow. The images of the manuscript are disparate. They were not painted in the blank spaces left in the manuscript by the calligrapher, but glued on, sometimes trimmed, and fitted with margins. The authors dare them all to the reign of Shah Jahan. But several do not easily fit with what is known of the 17th century, such as, for example, the miniature signed by Ramdas in the Devanagari alphabet, which faces a scene by Murar to which it bears no connection.

A hideous thought creeps into one's mind. Could this manuscript have been dolled up with miniatures in Lucknow when it was bought before being "presented" to Lord Teignmouth in 1799? The military pressure of Britain was felt by all the rulers, Muslim and Sikh. They loathed it.

The old hostilities may persist. The Royal Library at Windsor Castle allowed the manuscript to travel to Washington, New York, Los Angeles, Fort Worth, Indianapolis and New Delhi. Lahore, the ancestral town of the author of the "Padshah Nama," called Abd ul Hamid Lahori, was not included, nor any other city in Pakistan, the successor state to the glorious culture of Islamic Hindustan whose 50th independence anniversary is also being celebrated, as the exhibition book emphasizes. Our world may be global, but only up to a point.

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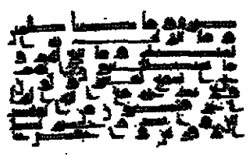

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The Associated Press.

Continued on Page 12

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Bank Pays $15.5 Billion For Barnett

NationsBank Takeover Is Sector's Biggest Ever

Compiled by Our Staff From Dispatches

CHARLOTTE, North Carolina — NationsBank Corp. agreed Friday to buy Barnett Banks Inc. for $15.5 billion in stock, in one of the biggest U.S. bank takeovers.

The nation's third-largest bank said it would exchange 1.1875 shares of its stock for each share of Jacksonville, Florida-based Barnett. That is equal to $75.18 per Barnett share, a 37 percent premium over Barnett's Thursday closing price.

Buying Barnett, which has $44 billion in assets and holds 20 percent of the deposits in Florida, will make NationsBank the biggest in Florida.

"This merger vaults us to a commanding position in the best growth markets in the U.S.," said Chief Executive Hugh McColl Jr. of NationsBank.

NationsBank is paying about four times Barnett's book value — or assets minus liabilities — making the deal one of the most expensive takeovers in banking history. The company purchased Boatmen's Bancshares Inc. in January and agreed in June to buy Montgomery Securities for $1.2 billion.

The banks said they would cut $915 million in costs by 1999, with the takeover starting to add to profit that year.

Barnett share prices soared $13.8125 to $68.625 on Friday after it resumed trading following the announcement.

NationsBank shares closed $3.625 lower at $59.6875.

Speculation that Barnett was shopping itself around lifted the company's stock Thursday, with 1.6 million shares traded, more than three times the daily average. Barnett traded as high as $56.93 before closing at $54.87, up $2.37 a share.

Jacksonville, Florida-based Barnett has maintained for years that it wanted to remain independent. The company has always been a very attractive merger candidate, according to analysts.

Barnett, with $44 billion in assets, has more than 600 branches in Florida and southern Georgia, and about 22,000 employees. It offers consumer lending in 41 states, though most of its business is in Florida.

The primary commercial lender in Florida, Barnett controls about 20 percent of deposits in the state, followed by First Union Corp. of Charlotte, with 17 percent, NationsBank with 12 percent and SunTrust Banks of Atlanta with 10 percent.

NationsBank operates in 16 states and the District of Columbia, and has assets of $240 billion.

"It's an opportunity for someone to capture some 20 percent of the banking business in Florida," said Geoffrey Simons, an analyst with Robert W. Baird. "That's very attractive."

Florida is growing, he said, and it would probably continue to do so for the next few years.

"So this would allow NationsBank to come in and dominate in Florida," Mr. Simons said.

Barnett may have decided it needed to combine with a bigger institution in order to increase its investment banking business, he said.

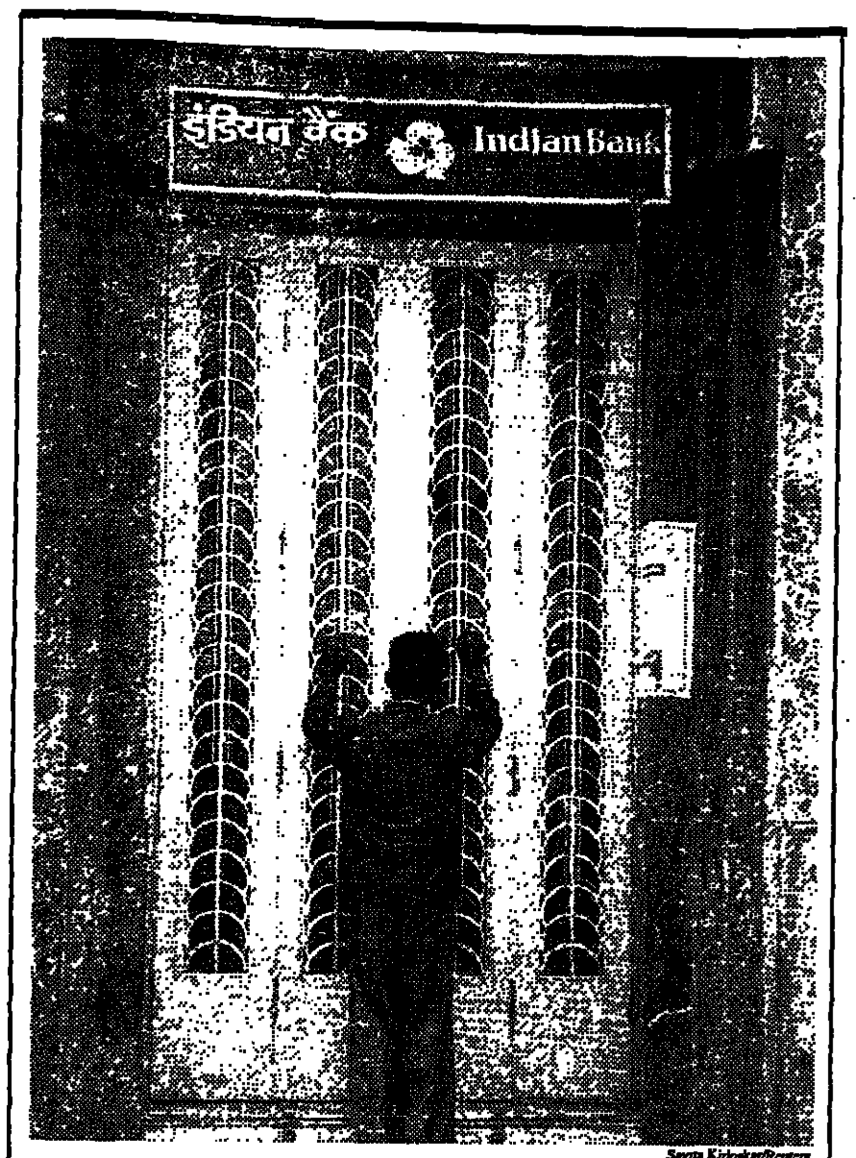
Analysts said Barnett's management might have wanted to cash out at current high prices — based on high stock-market levels — before its growth rate began to slow.

The sale, which faces government review, is expected to be completed early next year, the companies said.

"This is the right merger at the right time for both our companies," said Charles Rice, chairman of Barnett.

Mr. Rice will become chairman of NationsBank after the retirement of Andy Craig at the company's 1998 annual meeting, the companies said.

Mr. McColl, who is widely considered the master of bank purchases and is said to have been interested in Barnett for a long time, will remain chief executive. *(Bloomberg, AP, NYT)*



Savita Kirloskar/Reuters

SORRY, WE'RE CLOSED — A man peeking Friday into a Bombay bank as *financial institutions across India remained shut for the* second and final day of a strike by more than 1.3 million employees.

Bundesbank Gives Dollar a Lift

Investors Sell Marks as Prospect of Rate Increase Recedes

Compiled by Our Staff From Dispatches

NEW YORK — The U.S. currency rose against the Deutsche mark and most European currencies as concern ebbed that the Bundesbank would raise German interest rates.

The dollar also surged against the Japanese currency, rising above 120 yen for the first time since May 9, after economic reports Friday highlighted U.S. strength and Japanese weakness.

Rising new-home sales and manufacturing output in the United States suggested the economy might be strong enough to spur a rise in interest rates. In contrast, new-home sales in Japan plummeted and industrial production remained weak, reinforcing expectations that interest rates would stay at their all-time low for at least the rest of the year.

The dollar also benefited as a haven from tumbling currencies in Southeast Asia. As interest rates are raised to defend those currencies, growth in the region will be crimped, hurting Japan's chances of recovery and denting the yen, analysts said.

The dollar's rise against the mark came after the Bundesbank sought Friday to debunk a published report that suggested that the central bank's president, Hans Tietmeyer, had ruled out an increase in official interest rates in the near future.

Almost all media coverage of Mr. Tietmeyer's remarks Wednesday to a journalists' forum had reported that it was an "open question" whether or not interest rates would change, said Manfred Koerber, the Bundesbank's chief spokesman.

However, Mr. Koerber criticized one particular newspaper report but refused to give the newspaper's name. That paper had reported Thursday that Mr. Tietmeyer felt no need to raise interest rates soon despite the weakness of the mark. The report, Mr. Koerber added, had suggested that the central bank's policy on interest rates "could remain relatively calm" in the near future.

"This, of course, isn't the actual tenor of Tietmeyer's remarks," he said.

"Tietmeyer neither gave evidence for a rate hike nor a further easing. This is an open question — a matter which is not yet resolved and one that, as usual, hinges on several factors," Mr. Koerber added.

The report prompted the spokesman to make clear Thursday that Mr. Tietmeyer had not given the all-clear signal on a potential near-term increase in interest rates in an attempt to prevent further media reports in that direction. Mr. Koerber's remarks were reported Friday in the newspaper Handelsblatt.

"His comments were a long way from signaling that the coast was clear," Mr. Koerber told the financial daily.

"He didn't mean to downplay things to such a high degree," he added.

The reports gave the dollar a lift, and in 4 P.M. trading in New York, it was quoted at 1.8085 DM, up from 1.7945 DM on Thursday.

It also rose to 120.80 yen from 119.105 yen.

Meanwhile, Prime Minister Jean-Claude Juncker of Luxembourg on Friday welcomed Paris and Bonn's renewed determination to create a single European currency and said he was sure the two key partners were united on the issue.

Mr. Juncker, whose country holds the European Union's rotating presidency, said a statement by Chancellor Helmut Kohl of Germany and Prime Minister Lionel Jospin of France after their talks Thursday should have dispelled any doubts that the project would be realized.

"It was clear for everyone that the euro was coming on time, on January 1, 1999," Mr. Juncker told Germany's ZDF television. "Now it's been affirmed again for everyone."

In Augsburg, Germany, Finance

See EMU, Page 10

French Economy Locked in Doldrums

Bloomberg News

PARIS — France's economy is making little headway in climbing out of its stagnation, figures on industrial production and unemployment released Friday show.

Manufacturing output fell 0.2 percent in June, the government said, as a decline in production of consumer goods wiped out gains in car production. And while the overall unemployment rate fell to 12.5 percent in July from June's record 12.6 percent, the first drop in two years, it also contained signs of weakness: The gain was entirely in seasonal jobs.

"Nothing on the domestic front seems to be getting any pick up," said Joanne Perez, an economist at Merrill Lynch. "There's no evidence of a recovery."

Ukraine Tries Again to Free Economy

By Justin Keay
Special to the Herald Tribune

Ukraine's new prime minister, Valeri Pustovoitenko, was appointed late in July by President Leonid Kuchma, the latest in a succession of five politicians to take on the job. Charged with kick-starting lagging reforms, boosting foreign investment from its current, derisory level of $1.2 billion and encouraging growth, he faces an uphill task.

"Europe's biggest unexplored market," to quote the phrase used by the official literature, has disappointed investors on almost all scores. After six years of independence, growth is still negative while privatization has moved at a snail's pace.

July saw some positive developments. Observers were encouraged by

ECONOMIC SCENE

the resignation of the reform-averse prime minister, Pavlo Lazarenko. The state budget was finally passed, albeit seven months late.

Yet, Ukraine has yet to attract significant amounts of large-scale foreign investment since the demise of the Soviet Union. The situation has slightly improved over the course of this year, reflecting low inflation and a committee established with foreign investors to monitor financial conditions in the country.

The weak attraction for investors is harming the country's economic development.

"In Ukraine, this is where reform progress has been weakest," said Michael Friedlander, head of economic research at Nomura International in London. "Foreign investment aids restructuring and the development of export-orientatedindustries."

Nomura two weeks ago underwrote a $450 million one-year note for Ukraine in the country's debut on the international bond market, and the issue has done well. It was sold at a yield of about 9.44 percent and ended this week at 8.80 percent, illustrating some investor confidence.

But more typical of Ukraine's recent history was Motorola Inc.'s March decision to withdraw from a potentially lucrative satellite-communications deal, blaming an unstable business environment. Foreign investors are accustomed to red tape, paying kickbacks and retroactive legislation, but the biggest problem, several said, is Ukraine's illogical and onerous tax system.

The system allows authorities to demand levies well in excess of 100 percent, often retroactively and without warning. Businesses that the tax system has not discouraged or pushed into bankruptcy have instead been pushed underground.

"When transition started in Ukraine, the shadow economy was around 12 percent of GDP. Today, it is at least 50 percent and maybe even more," said Daniel Kaufmann, former World Bank representative in Kiev, now with the Harvard Institute of International Development.

Despite widespread recognition of the problem, the Parliament (the Rada) has rebuffed attempts to reform the tax system.

At the beginning of the year, then Deputy Prime Minister Viktor Pyznenek presented apackage to the Rada that he said would lower the burden, simplify collection and thus actually increase the overall tax take.

Four months later, in April, he resigned in protest at the Rada's failure to pass the bill. In late June, the Rada finally passed the reform, in a watered-down version, with only two of the original 11 proposals going through. The remaining nine are to be discussed in the coming month.

What astounds observers is that the Rada's resistance to the reform has persisted despite warnings that the economy faces negative growth this year and in 1998 following last year's 10 percent contraction in gross domestic product.

In a study that incorporates findings taken from a representative survey of 50 firms in Kiev and Lvov, Mr. Kaufmann argues that Ukraine's tax and import duty regime have bred systematic misreporting.

Firms typically "hide" 40 percent of their profits, over-report their costs by 135 percent and, thanks to onerous payroll taxes, which include both social security contributions and a special Chernobyl tax, under-report their payroll by 51 percent.

Mr. Kaufmann suggests that high taxes explain Ukraine's poor record in attracting foreign investment, and the Finance Ministry's inability to meet revenue targets, thanks to a "Laffer-curve effect."

Almost as bad news is the amount of time the bureaucracy requires companies to spend dealing with it over matters such as licenses and paperwork

Mr. Kaufmann's sample found that over 1996, companies spent an astonishing 40 percent of the working day dealing with officials, 10 percent more than in 1995. This compares with 30 percent in Russia, but only 15 percent in Lithuania and a mere 8 percent in another developing market a continent away: El Salvador.

Given such figures, it seems hardly surprising that private enterprise prefers to exist in the shadows, where at least it will know how much protection money must be paid to organized crime.

Yet, theeffect of a sustained gray economy is significant.

Not only do these companies not contribute to tax revenue but, because they do not officially exist, they also cannot borrow from legitimate sources and cannot, therefore, grow. This, in turn, impacts on Ukraine's long-term development and undermines growth prospects.

■ Daewoo-Ukraine Venture

Daewoo Corp. of South Korea and Ukraine's government have approved a preliminary agreement to start a $1.28 billion joint venture with the carmaker Avtozaz, Bloomberg reported from Kiev.

According to the agreement, which both sides still must sign, the venture will produce 150,000 cars within four years, including Daewoo models and General Motors Corp. Opel models, rising to 250,000 cars within seven years.

The investment is the biggest in Ukraine's history.

VEBA and RWE Doubling Stake in Mobile Phone Firm

Compiled by Our Staff From Dispatches

BERLIN — VEBA AG and RWE AG said Friday that they would buy Thyssen AG's stake in Germany's third-largest mobile telephone company for 2.87 billion Deutsche marks ($1.59 billion) in cash and debt, in a bid to attack the country's telecommunications market when it opens to competition next year.

If the transaction is approved by regulators, O.tel.o — RWE and VEBA's joint telecommunications venture — will double its stake in E-Plus Mobilfunk GmbH to 60.25 percent.

Among major challengers to Deutsche Telekom AG, the dominant provider, only O.tel.o lacked control of a mobile phone company.

"It puts O.tel.o in the driver's seat," said John Clarke, an analyst with Daiwa Europe Ltd.

"The acquisition of the E-Plus shareholding is a big and important step toward a rounding-out of our telecommunications strategy," said Ulrich Hartmann, management board chairman of VEBA.

The purchase of the 30.125 percent stake, for 2.26 billion DM in cash and 613 million DM in assumed debt, effectively marks Thyssen's withdrawal from the telecommunications market.

"From a strategic point of view, said Hans-Peter Wodniak of Credit Lyonnais Securities, "it didn't make sense for Thyssen to hold on to its minority stake in E-Plus as the company has said it wants to focus on its main steel and trading activities."

O.tel.o already controlled a fixed telecommunications network.

"The agreement gives us the opportunity to align E-Plus more closely with O.tel.o," the chief executive of O.tel.o, Ulf Bohla, said. "We now have fixed-network, cable and mobile and that makes us more attractive to customers."

But Theo Kitz, an analyst with Merck, Finck & Co., said, "Mannesmann will be the strongest competitor to Deutsche Telekom because they started a lot earlier."

E-Plus has 700,000 customers, compared with about 3 million each for Mannesmann and Deutsche Telekom. Subscriptions have surged in the past two months since E-Plus introduced a service with no monthly fee, Mr. Kitz said.

"I think it will break even by 1998 or 1999 at the latest and be profitable by the end of 1999," he said.

E-Plus must invest 2 billion DM to 3 billion DM to close gaps in its network.

VEBA shares rose 1 percent to close at 98 DM, while RWE shares fell 1.9 percent to 81.50 DM. Thyssen fell 1.5 percent to 415 DM.

(Bloomberg, Reuters)

Jospin's Speech Bolsters Shares Of Thomson-CSF

Bloomberg News

PARIS — Thomson-CSF shares rose 2.6 percent Friday after Prime Minister Lionel Jospin promised "important decisions" on consolidating the defense industry, particularly in aeronautics and electronics.

The French government owns 58 percent of Thomson-CSF, Europe's largest maker of defense electronics. Paris has said it wants to reorganize the defense industry as part of a European restructuring to compete with U.S. rivals. Some of that might include sales of government stakes to investors.

Thomson-CSF shares closed at 163.10 French francs ($26.97), up from 159 francs.

Mr. Jospin made the comments in a speech before a conference of French ambassadors. He said governments wanted to face up to "very strong American competition" and a "resolutely European option" was needed.

Executives at defense companies such as British Aerospace PLC and Daimler-Benz Aerospace AG have said France has been holding up restructuring across Europe because of its insistence on reorganizing its domestic industry first, which it has failed to do in numerous attempts.

In the past 18 months, the French government twice put up for sale its majority stake in Thomson-CSF, but canceled the sale each time.

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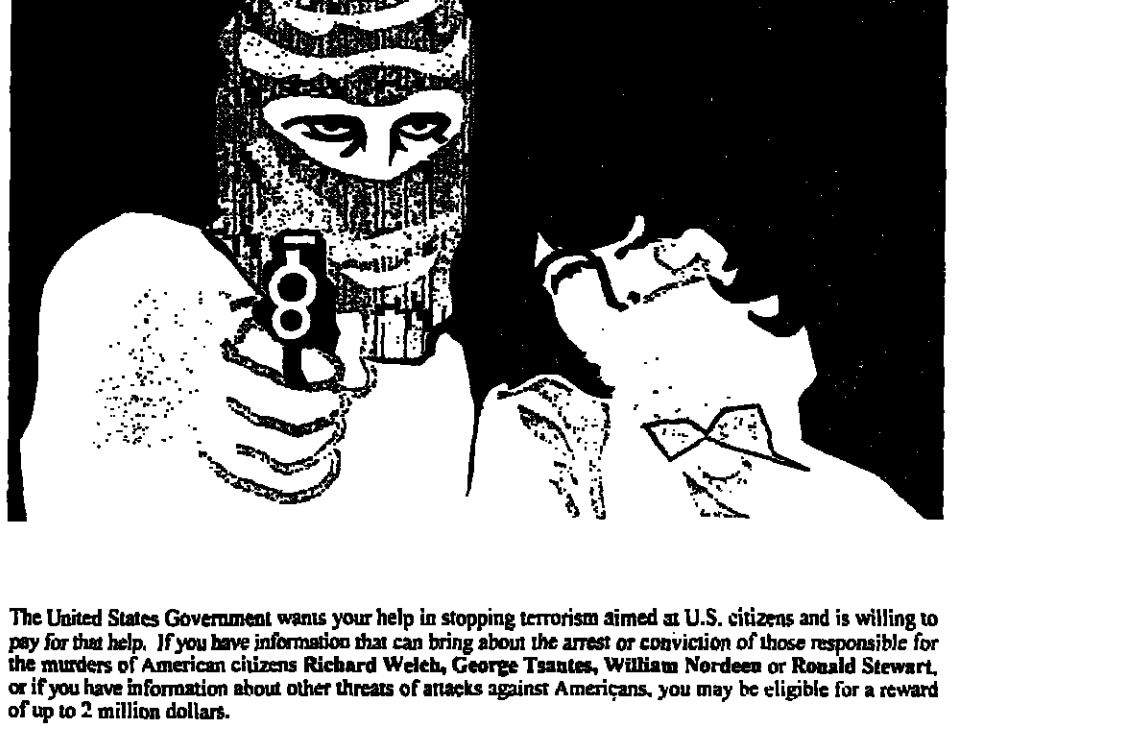

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Madrid	151.83	246.192	84.491	25.102	8.629*	75.011	4.0922	102.187	127.102*	109.419	—
Milan	1,758.10	2,851.58	979.18	291.00	—	869.80	47.367	1,183.26	14.739	1,265.85	11.577
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1 SDR	1.3887	0.8437	2.4597	8.2862	2,402.77	2.7622	50.9544	2.0225	161.259	1.9637	237.322

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers. New York rates at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	282.34	Mex. peso	7.757	S. Afr. rand	4.6985
Australian $	1.3808	Hong Kong $	7.7472	N. Zealand $	1.5547	S. Kor. won	901.75
Austrian sch.	12.623	Hung. forint	197.06	Norw. krone	7.4128	Swed. krona	7.8241
Brazil real	1.0929	Indian rupee	36.38	Phil. peso	30.15	Taiwan $	28.69
Chinese yuan	8.3185	Indo. rupiah	3000.0	Polish zloty	3.47	Thai baht	34.20
Czech koruna	33.80	Irish £	0.6721	Port. escudo	182.04	Turkish lira	166360
Danish krone	6.831	Israeli shek.	3.5158	Russ ruble	5826.0	UAE dirham	3.6725
Egypt. pound	3.3963	Kuw dinar	0.31	Saudi riyal	3.7505	Venez. boliv.	497.00
Fin. markka	5.3844	Malay. ring.	2.9288	Sing. $	1.5315		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6219	1.6197	1.6177	Japanese yen	118.74	118.21	117.69
Canadian dollar	1.3846	1.3820	1.3798	Swiss franc	1.4763	1.4726	1.4676
Deutsche mark	1.7907	1.7870	1.7837				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

Aug. 29

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5½ - 5⅝	3 1/16 - 3 3/16	1⅛ - 1¼	7⅛ - 7¼	3 3/16 - 3 5/16	7/16 - 9/16	4 1/16 - 4 3/16
3-month	5 9/16 - 5 11/16	3 3/16 - 3¼	1⅛ - 1¼	7 3/16 - 7 5/16	3 3/16 - 3⅓	7/16 - 9/16	4¼ - 4⅜
6-month	5 11/16 - 5 13/16	3 5/16 - 3 7/16	1 5/16 - 1 7/16	7¼ - 7 7/16	3 5/16 - 3½	7/16 - 9/16	4 5/16 - 4 7/16
1-year	5⅞ - 6	3½ - 3 9/16	1 11/16 - 1 13/16	7½ - 7⅝	3⅜ - 3½	9/16 - ⅝	4⅜ - 4½

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds	5½	5⅝
90-day CDs dealers	5.61	5.59
180-day CP dealers	5.52	5.52
3 month Treasury bill	5.08	5.09
1-year Treasury bill	5.27	5.25
2-year Treasury bill	5.95	5.92
5-year Treasury note	6.22	6.17
7-year Treasury note	6.27	6.22
10-year Treasury note	6.34	6.29
30-year Treasury bond	6.61	6.57
Merrill Lynch 30-day RA	5.11	5.11
Japan		
Discount rate	0.50	0.50
Call money	0.46	0.45
1-month interbank	0.52	0.52
3-month interbank	0.52	0.52
6-month interbank	0.54	0.54
10-year Govt bond	2.23	2.25
Germany		
Lombard rate	4.50	4.50
Call money	3.50	3.20
1-month interbank	3.20	3.20
3-month interbank	3.31	3.31
6-month interbank	3.47	3.47
10-year Bund	5.91	5.93

Britain	Close	Prev
Bank base rate	7.00	7.00
Call money	7 3/16	7⅛
1-month interbank	7 3/16	7⅛
3-month interbank	7¼	7¼
6-month interbank	7 5/16	7 5/16
10-year Gilt	7.08	7.06
France		
Intervention rate	3.10	3.10
Call money	3 3/16	3 3/16
1-month interbank	3¼	3¼
3-month interbank	3 5/16	3 5/16
6-month interbank	3 7/16	3 7/16
10-year OAT	5.58	5.61

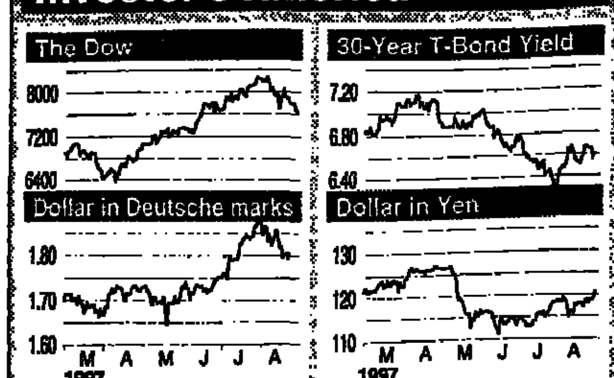
Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	324.75	324.90	— 1.30
London	325.40	325.35	— 0.45
New York	327.00	327.40	+ 0.30

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.

Investor's America



Exchange	Index	Friday @4PM	Prev. Close	% Change
NYSE	The Dow	7622.42	7694.43	-0.94
NYSE	S&P 500	899.48	903.67	-0.46
NYSE	S&P 400	868.94	874.60	-0.65
NYSE	Composite	470.48	472.37	-0.40
U.S.	Nasdaq Composite	1587.26	1581.34	+0.38
AMEX	Market Value	650.16	650.69	-0.08
Toronto	TSE Index	6698.39	6684.10	+0.28
São Paulo	Bovespa	10619.36	11353.91	-6.47
Mexico City	Bolsa	4643.86	4789.19	-3.04
Buenos Aires	Merval	832.29	865.79	-3.85
Santiago	IPSA General	5481.14	5496.38	-0.28
Caracas	Capital General	9713.48	9240.35	+5.21

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

Plan Quadruples TV Royalty Fees

WASHINGTON (Bloomberg) — Copyright royalty fees that satellite companies pay for the right to retransmit distant network TV programs would more than quadruple under a copyright arbitration royalty panel plan submitted to the U.S. copyright office.

Broadcasters and satellite companies have been unable to agree on what changes should be made to the current rates, which expired this year, and a copyright arbitration royalty panel stepped in to recommend rate changes.

Brazil Insurer May Change Hands

SAO PAULO (Bloomberg) — Banco Excel Economico SA and its U.S. partner, Cigna Corp., announced a contract Friday giving them the option to buy Brazil's largest health insurance company.

Excel and Cigna would take over management of Golden Cross Saude SA for three years, an Excel spokesman said. After that, the companies would have an option to buy the company, he said.

• **Juniper Networks Inc.** said that **3Com Corp., WorldCom Inc.'s UUNet Technologies unit, Lucent Technologies Inc., Northern Telecom Ltd., Ericsson LM** and a joint venture of **Siemens AG and Newbridge Networks Corp.** would buy a total 24.2 percent of the company for $40 million, helping it produce equipment that speeds the flow of information over the Internet.

• **Friendly Ice Cream Corp.**, the operator of Friendly's restaurants, plans to sell two-thirds of its shares in an initial public offering valuing the frozen dessert maker at $150 million.

• **General Electric Co.'s GE Capital** unit may have illegally collected credit-card debts from more than 17,000 bankrupt customers and will make some refunds, the company said in court papers. *Bloomberg*

Real Security Begins at Home

How Kroll Investigators Worked on Their Own Case

By Joseph B. Treaster
New York Times Service

NEW YORK — Jules Kroll has made a career of directing delicate and confidential investigations. Most often his clients have been foreign governments, major Wall Street firms and the biggest corporations.

But for several months this year, he engaged in a quiet operation for perhaps the most important clients of all: himself and his colleagues.

The operation ended with Mr. Kroll's backing away from a merger deal with an old friend and going with another suitor who had offered considerably more money and authority.

Mr. Kroll shook hands with his friend Derek Smith last December on a plan to fuse Kroll Associates, the world's leading business-investigations firm, with Mr. Smith's big insurance data-collection organization, which was about to be spun off from the consumer-credit checking company, Equifax Inc. In April they publicly announced their intentions.

But beginning early in the year Mr. Kroll was courted relentlessly by Thomas O'Gara, an Ohio entrepreneur who made a small fortune building bombproof, bulletproof limousines and was obsessed with becoming a large player in the more glamorous side of the corporate security industry.

By all accounts, Mr. Kroll, whose firm tracked down Saddam Hussein's hidden fortune and helped redo security at the World Trade Center after the terrorist bombing in 1993, repeatedly told Mr. O'Gara that he expected to go through with the deal with Mr. Smith.

But Mr. O'Gara did not take no for an answer, and Mr. Kroll never entirely closed the door.

After several meetings and phone calls with Mr. Kroll and his bankers this summer, Mr. O'Gara, chairman of the company, and his brother Bill, who served as chief executive, sweetened their proposal with an offer to put Mr. Kroll in charge of a new combined company to be called Kroll-O'Gara.

Over dinner, three days after the O'Garas made their final pitch, Mr. Kroll told Mr. Smith that the original deal was off.

"It was probably the most difficult dinner of my life," Mr. Kroll said the other day at his glass and steel office tower on Third Avenue in Manhattan.

Mr. Smith, while disappointed, said he had no hard feelings and planned to continue working with Mr. Kroll. "I respect Jules," he said through a spokeswoman.

The final deal represents something of a coming of age not only for Kroll Associates but also for many in the investigations industry that Mr. Kroll pioneered.

"Corporate entities are starting to understand the value of what Jules does and what we do," said Terry Lenzner, a former Watergate investigator and founder of the Investigative Group in Washington.

But one question is whether Mr. Kroll, whose subcontractors have sometimes been accused of skirting the edge of propriety in the firm's quest for valuable intelligence, can continue to operate as successfully as part of a public company.

The planned merger with Mr. Smith's company, for all its advantages for Mr. Kroll and his 42 managing directors, was still not ideal.

While Kroll would have its own identity, Mr. Kroll and his colleagues still worried that they would be swallowed up.

The proposal from the O'Garas, Mr. Kroll said, was more of "a merger of equals."

The merger will create one of the world's biggest investigations and security companies.

Combined, the company will employ more than 950 people in 39 outposts worldwide and will have annual revenues, analysts said, of more than $200 million in 1997, nearly three times the take for Mr. Kroll's company last year.

With American companies venturing into new markets around the world, and mergers and acquisitions popping along at a record pace, the corporate security and intelligence business is soaring.

Corporations are hiring investigators and security experts to dig into the backgrounds of business rivals and potential partners and are asking for help navigating the twisted byways of the global economy.

Wall Street Declines Amid Slump in Bonds

Compiled by Our Staff From Dispatches

NEW YORK— Stocks fell Friday amid a slump in the bond market, but gains in smaller-name stocks and technology stocks helped underpin blue-chip shares.

"The stock market is holding up pretty well, given Chicago Purchasing Managers' Index data, which was very strong," said Charles White, managing director of Avatar Associates.

The Dow Jones industrial average closed 72.01 points lower at 7,622.42. The Standard & Poor's 500 Index fell 4.19 points to 899.48.

The technology-heavy Nasdaq Composite Index, rose 5.92 points to 1,587.24.

Wall Street was again dogged by speculation that the Federal Reserve Board could raise interest rates after the latest crop of data that show the economy to be picking up steam.

The government that reported consumer spending rose 0.8 percent in July, the strongest monthly increase since a 1.1 percent jump in January.

The strong level of consumer spending was expected to keep the economy on a roll at least through the end of the year.

In another report, July home sales gained 0.9 percent, and the Purchasing Management Association of Chicago reported an unsettling rise in its prices-paid index to 65.8 in August from 61.6 in July, as manufacturing activity picked up more than expected.

The economy is in better shape than expected. On Thursday, the gross domestic product, the broadest measure of the economy, was revised to a 3.6 percent annual rate in the April-June quarter, rather than the 2.2 percent rate reported a month ago. But the good news was that inflation remained at the lowest levels since the 1960s.

In the bond market, the benchmark 30-year Treasury, which gained a full point Thursday on the

U.S. STOCKS

inflation data, fell 15/32 to 96 30/32, raising its yield to 6.61 percent from 6.57 percent on Thursday.

"This economy is growing faster than people want to think it is," said William Dawson of at Federated Investors in Pittsburgh. "It increases the likelihood the Fed will move again this year."

Paul Rich, a trader at BT Brokerage in New York, said the market was looking ahead to Sept. 5, when the government reports on the latest monthly employment statistics.

"That's the number everyone watches," he said.

Some so-called cyclical stocks — those that outperform in times of economic expansion — fell.

AlliedSignal declined, General Motors fell and Aluminum Co. of America also declined.

Shares of oil companies, which do well in economic expansions, fell. Chevron declined 1⅛ to 77 7/16, and Exxon dropped.

McDonald's ended up ½ at 47¼ even after analysts at Merrill Lynch and Morgan Stanley, Dean Witter, Discover & Co. cut earnings estimates for the world's No. 1 fast-food company.

Toy Biz and Marvel Entertainment Group fell after the New York-based Marvel said late Thursday that it was unlikely to complete a previously announced deal with its lenders and Toy Biz to merge with the comic-book company.

Versa Technologies and Applied Power gained when Versa, a maker of components and systems said it was considering a $138 million buyout offer from Applied Power.

VideoLabs gained when the maker of professional image capture devices said that the U.S. Immigration and Naturalization Service will use its FlexCams, desktop video cameras, to aid enforcement efforts.

Netscape Communications climbed 1 3/16 to 39 13/16 after Novell and Oracle said they would use its Netscape Navigator client software as their preferred browser. *(Bloomberg, AP, Reuters)*

EMU: *Dollar Gains on News From Asia and Talk of Bundesbank Backpedaling*

Continued from Page 9

Minister Theo Waigel reiterated that Bonn would abide by a watertight reading of the entry rules for a common European currency when countries were selected for participation early next year.

"Germany will apply the treaty criteria in a strict and narrow way in the spring of 1998," Mr. Waigel said.

Germany will reduce its public deficit to 2.5 percent of gross domestic product next year, well within the limit required for entry into the European single currency, Mr. Waigel said, adding that conditions were right for the future single European currency to be strong.

The government expects this year's deficit to be 3 percent of GDP, he said, implicitly rejecting predictions by experts that Germany could miss the 3 percent target stipulated by the Maastricht treaty on European monetary union.

In Washington, several International Monetary Fund directors said they saw a risk that Germany's 1997 budget deficit would narrowly exceed the 3 percent target.

A statement released after the IMF's annual review of the German economy said the Bundesbank's monetary policy should reflect "broader EMU-wide objectives," such as the need for price stability in Europe and the need for a sound single currency.

Meanwhile, Mr. Jospin, on his return from the trip to Germany to reinforce ties with France's main European ally, renewed Friday his

FOREIGN EXCHANGE

pledge that France would be ready to launch a single currency in 1999.

He also reaffirmed that France would limit its budget deficit to meet Maastricht treaty terms for entry to a single currency.

"France will be ready for a single currency on Jan. 1, 1999, while respecting the treaty." Mr. Jospin told a meeting of French ambassadors.

The French government last month said it would raise company taxes to bring the deficit to near to 3 percent of GDP.

It also pledged to reduce the deficit further in 1998.

Separately, the Italian economy grew a surprisingly strong 1.5 percent in the second quarter, the strongest expansion in two and a half years, led by exports and government incentives to buy new cars.

Issuing preliminary figures, Istat, the statistics office, said the economy rose 1.7 percent from the year-earlier period, also above expectations.

The dollar also rose to 1.4935 Swiss francs from 1.4845 francs and climbed to 6.0861 French francs from 6.0390 francs. The pound was at $1.6205, down from $1.6185. *(Bloomberg, Reuters)*

AMEX

Friday's 4 P.M. Close

The top 300 most active shares, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7651.22	7710.45	7606.86	7622.42	-72.01
Trans	2870.00	2882.93	2855.05	2870.17	-6.71
Util	231.44	233.55	231.14	231.77	-0.19
Comp	2401.81	2418.07	2390.26	2397.25	-14.66

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	1077.50	1057.27	1062.67	1057.33
Transp.	655.90	647.27	649.35	643.73
Utilities	199.62	196.94	197.99	197.55
Finance	104.99	102.95	103.71	103.41
SP 500	915.90	898.65	903.67	899.48
SP 100	887.98	869.66	874.60	868.94

NYSE

	High	Low	Last	Chg.
Composite	473.86	469.10	470.48	-1.88
Industrials	600.42	593.97	595.59	-2.72
Transp.	431.60	427.61	428.83	-2.77
Utility	282.05	279.31	280.15	-1.90
Finance	439.56	435.24	437.26	-0.17

Nasdaq

	High	Low	Last	Chg.
Composite	1591.01	1579.24	1587.30	+5.98
Industrials	1286.34	1278.49	1283.93	+3.64
Banks	1720.07	1707.61	1712.86	+2.39
Insurance	1729.08	1713.65	1722.89	+3.13
Finance	2047.04	2022.41	2043.23	+16.80
Transp.	1014.58	1007.41	1013.34	+2.21

AMEX

High	Low	Last	Chg.
651.22	649.04	650.18	-0.51

Dow Jones Bond

	Close	Chg.
20 Bonds	103.86	+0.09
10 Utilities	101.59	-0.03
10 Industrials	106.13	+0.21

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Compaq s	73851	66⅝	63¾	65½	+1½
MercFn	71511	1⅝	1⅝	1⅝	-⅛
NatnsBk s	71440	60⅝	57⅝	59¼	-3⅞
CocaCl	48908	58¾	57⅛	57⅝	-⅝
TelMex	46389	48½	45	45½	-2½
Barnett s	45865	69	64½	67¼	+12⅝
GenElec s	44643	64⅛	62⅝	62⅝	+⅛
Ethyl	40502	9½	9	9	—
TelBras	38073	121½	116⅛	117⅞	-7⅝
IBM s	35866	102⅜	100⅛	100⅜	-⅛
AT&T s	33796	39⅛	38½	39	-⅛
McDnlds	32962	47½	45⅝	47¼	+½
ChesEng s	32180	8⅛	7⅛	8⅛	+⅝
PepsiCo	30879	36⅛	35½	36	-⅛
PhilMor s	30647	44⅛	43½	43⅞	-⅝

Nasdaq

	Vol.	High	Low	Last	Chg.
Intel s	96896	93⅛	91½	92⅛	-⅛
3Com	83635	50	47¾	49⅞	+2⅜
Oracle s	83456	38⅜	36⅞	38¼	+1⅝
CptCanc	75623	3½	3⅜	3½	+⅛
MCI	71898	28	28⅜	28½	+⅛
Ascend	64539	42½	41¼	42⅞	+1⅛
AmerCp n	60210	19¾	18½	19¼	—
WorldCm	58226	30⅝	29½	29⅝	-⅛
Altera	49509	54	52¼	53¼	+⅝
Microsft s	47190	133¾	131¼	132⅞	+⅛
DellCpt s	46793	83	80¼	82⅛	+⅛
Cisco	45543	76⅝	74⅝	75⅜	+⅛
Amgen	45493	50⅝	48⅞	49⅞	+⅝
SunMic s	40969	48⅛	47⅞	48	-⅛
ApldMat	33737	96⅝	94⅛	94¼	-2

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	25578	91⅛	89⅞	90⅛	+⅛
DI Ind	12403	6⅛	5⅜	6⅞	+½
Polymed	7864	13⅛	11¼	12	+1⅞
Harken	6902	6⅛	5⅝	6⅛	+⅛
Healx	6672	2⅛	2	2⅛	—
Anspec	5218	4⅞	4½	4⅞	-⅛
CrystlOil gn	4945	4⅝	4¼	4⅜	+⅛
ViacB	4583	30½	29¾	29¾	-1⅛
JTS Corp	3741	⅞	⅞	⅞	+⅛
Andrea	3504	35⅜	31	33¼	+⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1328	1352
Declined	1490	1499
Unchanged	553	534
Total issues	3371	3385
New Highs	144	144
New Lows	34	25

Nasdaq

	Noon	Prev.
Advanced	1779	1978
Declined	1578	2059
Unchanged	2093	1708
Total issues	5450	5745
New Highs	135	212
New Lows	51	39

AMEX

	Close	Prev.
Advanced	302	277
Declined	286	285
Unchanged	151	147
Total issues	739	709
New Highs	38	30
New Lows	8	5

Market Sales

	Today 4:00	Prev. cons.
NYSE	406.98	576.12
Amex	18.13	27.61
Nasdaq	459.59	664.03

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Corp Bancar Esp	-	.2372	9-5	9-15
Delta Woodside	-	.025	9-12	9-19
STOCK SPLIT				
Gleason Corp 2 for 1 split.				
STOCK				
Chester ValleyBcp	-	5%	9-4	9-18
Patriot Bk Cp	-	20%	9-8	9-22
Southwest Sec Gp	-	10%	9-15	10-1
REVERSE STOCK SPLIT				
Sunrise Educat Svcs 0.23 shares of common for each share held.				
Westmark Gp Hldgs 1 for 5 reverse split.				
INCREASED				
Amer Woodmark	Q	.03	9-17	10-1
Fst Fedl Bksrh Ark	-	.06	9-12	9-26
Southwest Sec Gp	Q	.06	9-15	10-1
REGULAR				
Alabama NatlBcp	Q	.115	9-14	10-3
BCE Inc g	Q	.34	9-15	10-15
Beverly Bancorp	Q	.06	10-3	10-15
Brandywine Realty	Q	.36	9-9	10-9
CV Reit	Q	.29	9-17	10-8

Company	Per	Amt	Rec	Pay
Chester ValleyBcp	Q	.11	9-4	9-18
China Tire Hldg	Q	.02	9-16	9-30
Dreyfus CA Mun	M	.06	9-12	9-26
Dreyfus MuniInco	M	.054	9-12	9-26
Dreyfus NY Mun	M	.05	9-12	9-26
Dreyfus StratMun	M	.055	9-12	9-26
Dreyfus Strat Gvt	M	.0625	9-12	9-26
Dreyfus Strat Mun	M	.057	9-12	9-26
Fst Shenango Bcp	Q	.15	9-30	10-24
Fst State Cp	Q	.09	9-15	10-1
Fd Amer Hldgs	Q	.20	9-8	9-17
Hancock PatPfd	M	.09625	9-8	9-30
Hunt Mfg	Q	.095	10-1	10-9
Ingles Mkts	Q	.165	10-3	10-13
Ipalco Enterpr	Q	.25	9-19	10-15
James RiverBkshr	Q	.14	9-10	9-22
Loblaw Cos g	Q	.04	9-15	10-1
Minerals Techs	Q	.025	9-10	10-3
Natl Bk Cda g	Q	.15	9-26	11-1
Ottawa Fncl	Q	.10	9-12	9-30
Pamrapo Bancorp	Q	.25	9-5	9-19
Peoples Bk NC	Q	.12	9-5	9-19
Tejon Ranch	S	.025	11-21	12-5
Toronto DomBk g	Q	.28	9-18	10-31
Utd Fire & Cas	Q	.16	9-2	9-15
Walshire Assur	Q	.065	9-10	9-24
Weston Geo Ltd g	Q	.25	9-15	10-1

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration. a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99. cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Aug. 29, 1997

Grains

CORN (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Sep 97	269¼	264½	265¾	unch.	24,264
Dec 97	273	268	269¼	unch.	189,108
Mar 98	281	277½	277¼	unch.	47,186
May 98	285¾	282	282¼	unch.	12,727
Jul 98	289	285½	285¾	unch.	19,313
Sep 98	275	271	272¼	unch.	1,668
Dec 98	272	268¾	270¼	unch.	10,850

Est. sales 80,000 Thu's sales 64,697
Thu's open int 305,226, off 748

SOYBEAN MEAL (CBOT) 100 tons- dollars per ton

	High	Low	Latest	Chge	Opint
Sep 97	255.80	248.80	255.50	unch.	16,235
Oct 97	222.50	216.00	221.40	unch.	19,018
Dec 97	208.50	204.00	207.20	unch.	44,024
Jan 98	204.50	201.00	203.00	unch.	9,263
Mar 98	200.00	196.50	196.90	unch.	9,683
May 98	199.50	195.50	196.70	unch.	6,630

Est. sales 25,000 Thu's sales 30,446
Thu's open int 110,082, off 2,767

SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb

	High	Low	Latest	Chge	Opint
Sep 97	22.84	22.50	22.60	unch.	7,016
Oct 97	23.05	22.75	22.84	unch.	19,234
Dec 97	23.40	23.07	23.20	unch.	39,663
Jan 98	23.53	23.25	23.40	unch.	10,075
Mar 98	23.78	23.48	23.61	unch.	7,012
May 98	23.75	23.65	23.75	unch.	2,807

Est. sales 20,000 Thu's sales 28,498
Thu's open int 89,552, up 1,317

SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Sep 97	670	661	666	unch.	9,522
Nov 97	631	617½	625½	unch.	87,178
Jan 98	634	622	627½	unch.	19,725
Mar 98	641	630½	635¼	unch.	8,161
May 98	647½	640	642¼	unch.	6,694

Est. sales 38,000 Thu's sales 34,595
Thu's open int 140,325, up 2,070

WHEAT (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Sep 97	382	374½	378¼	unch.	7,751
Dec 97	398	390½	394	unch.	68,048
Mar 98	409½	401½	405¼	unch.	20,449
May 98	409½	404	407	unch.	3,119

Est. sales 35,000 Thu's sales 47,392
Thu's open int 108,408, up 1,210

Livestock

CATTLE (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Oct 97	67.55	66.87	67.20	-0.02	46,067
Dec 97	69.10	68.57	68.75	-0.07	25,282
Feb 98	71.90	71.45	71.62	-0.20	13,288
Apr 98	73.95	73.62	73.72	-0.20	6,139
Jun 98	70.70	70.25	70.40	-0.17	4,757
Aug 98	70.25	70.00	70.00	-0.20	1,118

Est. sales 11,741 Thu's sales 19,336
Thu's open int 96,651, up 685

FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Sep 97	79.30	78.65	78.67	-0.47	3,640
Oct 97	79.37	78.42	78.62	-0.45	6,686
Nov 97	80.25	79.65	79.72	-0.35	4,232
Jan 98	81.20	80.55	80.60	-0.47	2,389
Mar 98	81.15	80.40	80.42	-0.47	1,395
Apr 98	80.55	80.45	80.45	-0.45	376

Est. sales 3,177 Thu's sales 5,878
Thu's open int 21,802, off 246

HOGS-Lean (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Oct 97	70.62	70.25	70.45	-0.05	17,488
Dec 97	67.57	67.17	67.37	-0.07	6,936
Feb 98	66.35	66.05	66.35	-0.02	3,345
Apr 98	62.75	62.60	62.65	-0.10	1,610
Jun 98	67.35	67.25	67.30	-0.05	922

Est. sales 3,483 Thu's sales 6,574
Thu's open int 31,362, up 60

PORK BELLIES (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Feb 98	68.35	67.50	67.72	-0.55	3,943
Mar 98	68.25	67.57	67.80	-0.45	348
May 98			68.02	-0.19	88

Est. sales 1,115 Thu's sales 1,632
Thu's open int 4,420, off 381

Food

COCOA (NCSE) 10 metric tons- $ per ton

	High	Low	Latest	Chge	Opint
Sep 97	1735	1688	1688	+1	967
Dec 97	1760	1700	1717	-3	41,641
Mar 98	1783	1710	1731	-18	27,237
May 98	1795	1750	1750	-18	12,170
Jul 98	1805	1767	1767	-18	2,842
Sep 98	1817	1786	1786	-18	4,386

Est. sales 12,417 Thu's sales 15,290
Thu's open int 104,528, up 3,063

COFFEE C (NCSE) 37,500 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Sep 97	192.00	185.50	191.50	+4.65	712
Dec 97	180.00	173.50	179.90	+4.65	10,645
Mar 98	163.00	159.00	162.70	+2.85	3,924
May 98	157.50	152.70	157.20	+2.45	1,539
Jul 98	152.45	148.50	152.45	+2.70	1,318

Est. sales 6,227 Thu's sales 7,726
Thu's open int 18,710, off 57

SUGARWORLD 11 (NCSE) 112,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Oct 97	11.74	11.58	11.60	-0.08	89,627
Mar 98	12.10	11.98	12.01	-0.03	74,730
May 98	12.05	11.94	11.95	-0.04	17,807
Jul 98	11.87	11.75	11.75	-0.08	11,718

Est. sales 22,709 Thu's sales 21,345
Thu's open int 205,497, up 215

ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Sep 97	69.00	67.50	67.85	-0.65	4,129
Nov 97	71.45	69.25	69.75	-0.75	16,378
Jan 98	74.25	72.50	73.00	-0.75	7,443
Mar 98	77.25	75.30	76.00	-0.60	4,838

Est. sales N.A. Thu's sales 7,634
Thu's open int 34,697, up 172

Metals

GOLD (NCMX) 100 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Sep 97			324.50	+0.40	46
Oct 97	326.80	325.00	325.50	+0.40	15,336
Dec 97	328.90	326.90	327.40	+0.30	106,674
Feb 98	330.60	329.10	329.10	+0.30	15,321
Apr 98	332.00	331.60	331.00	+0.30	5,400
Jun 98	334.60	333.10	333.10	+0.30	8,339
Aug 98			335.30	+0.30	3,149

Est. sales 16,000 Thu's sales 38,648
Thu's open int 194,613, off 2,577

HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Sep 97	100.90	96.30	99.10	+2.55	9,372
Oct 97	100.30	97.80	99.70	+2.15	2,107
Nov 97	99.80	97.90	99.45	+2.00	1,488
Dec 97	100.90	96.50	99.30	+2.15	22,558
Jan 98			99.10	+2.05	772
Feb 98			98.50	+1.75	725
Mar 98	99.60	97.00	98.50	+1.85	3,053
Apr 98			98.20	+1.85	538
May 98	98.00	97.00	98.00	+1.90	1,864

Est. sales 8,000 Thu's sales 16,951
Thu's open int 46,978, up 747

SILVER (NCMX) 5,000 troy oz.- cents per troy oz.

	High	Low	Latest	Chge	Opint
Sep 97	470.00	459.00	461.60	-2.30	7,394
Oct 97			464.20	-2.30	78
Dec 97	477.00	466.00	468.50	-2.50	51,598
Jan 98			470.10	-2.50	22
Mar 98	481.50	474.00	475.40	-2.50	11,500
May 98	484.00	479.70	479.70	-2.50	3,202
Jul 98			484.00	-2.50	2,291

Est. sales 16,000 Thu's sales 47,848
Thu's open int 81,610, up 43

PLATINUM (NMER) 50 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Oct 97	409.50	407.00	407.70	unch.	9,849
Jan 98	405.00	402.70	402.70	unch.	2,792
Apr 98			397.20	unch.	438
Jul 98			393.20	unch.	2

Est. sales N.A. Thu's sales 11,153
Thu's open int 13,081, up 106

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1614.00	1617.00	1623½	1626½
Forward	1633.00	1634.00	1637.00	1637½
Copper Cathodes (High Grade)				
Spot	2187.00	2190.00	2171.00	2174.00
Forward	2182.00	2184.00	2161.00	2162.00
Lead				
Spot	641.00	642.00	632½	633½
Forward	650.00	651.00	641.00	642.00
Nickel				
Spot	6695.00	6705.00	6490.00	6500.00
Forward	6795.00	6796.00	6585.00	6590.00
Tin				
Spot	5385.00	5390.00	5365.00	5370.00
Forward	5425.00	5430.00	5410.00	5415.00
Zinc (Special High Grade)				
Spot	1632.00	1637.00	1666.00	1669.00
Forward	1492.00	1493.00	1502.00	1503.00

Financial

US T BILLS (CMER) $1 million- pts of 100 pct.

	High	Low	Close	Chge	Opint
Sep 97	94.96	94.93	94.93	unch.	6,510
Dec 97	94.86	94.79	94.81	-0.02	2,567
Mar 98			94.75	-0.03	1,189

Est. sales 502 Thu's sales 593
Thu's open int 10,266, off 225

5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct

	High	Low	Close	Chge	Opint
Sep 97	107-01	106-39	106-48	-10	131,510
Dec 97	106-46	106-18	106-28	-11	90,196

Est. sales 61,750 Thu's sales 119,046
Thu's open int 221,706, up 1,496

10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Sep 97	109-14	108-25	109-01	-08	205,292
Dec 97	109-02	108-12	108-22	-08	196,786
Mar 98	108-11	108-05	108-11	-08	3,736

Est sales 68,861 Thu's sales 191,170
Thu's open int 405,814, off 496

US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)

	High	Low	Close	Chge	Opint
Sep 97	113-28	112-24	113-04	-17	327,620
Dec 97	113-16	112-12	112-24	-17	271,202
Mar 98	113-01	112-00	112-12	-17	33,411
Jun 98			112-00	-17	2,539

Est. sales 450,000 Thu's sales 574,677
Thu's open int 636,457, up 24,442

LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Sep 97	114-24	114-10	114-16	Unch.	91,380
Dec 97	114-12	113-31	114-06	+0-01	109,445
Mar 98	N.T	N.T.	113-28	+0-02	0

Est. sales: 56,308 Prev. sales: 81,339
Prev. open int.: 200,825 up 2,399

GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct

	High	Low	Close	Chge	Opint
Sep 97	102.48	102.06	102.19	-0.09	237,928
Dec 97	101.57	101.20	101.30	-0.09	52,052
Mar 98	N.T	N.T	100.41	-0.09	64

Est. sales: 168,402. Prev. sales: 182,342.
Prev. open int.: 290,044 up 1,924

10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	130.02	129.66	129.68	+0.06	155,404
Dec 97	98.80	98.52	98.52	+0.06	15,150
Mar 98	98.20	98.20	97.92	+0.06	0

Est. sales: 92,407.
Open int.: 170,554 off 2,537.

ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	135.93	135.25	135.58	-0.05	81,353
Dec 97	108.01	107.56	107.76	-0.05	32,961
Mar 98	N.T.	N.T.	108.30	-0.05	0

Est. sales: 48,890. Prev. sales: 70,818.
Prev. open int.: 114,314 up 2,289

LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.

	High	Low	Latest	Chge	Opint
Sep 97	94.37	94.35	94.35	unch.	15,648
Oct 97	94.34	94.32	94.33	unch.	8,413
Nov 97	94.30	94.26	94.28	-0.01	9,706

Est. sales 4,212 Thu's sales 4,076
Thu's open int 41,787, up 1,217

EURODOLLARS (CMER) $1 million-pts of 100 pct.

	High	Low	Latest	Chge	Opint
Sep 97	94.28	94.25	94.26	unch.	467,145
Oct 97	94.20	94.17	94.18	-0.01	5,470
Dec 97	94.13	94.06	94.09	-0.02	511,340
Mar 98	94.06	93.96	93.99	-0.04	357,532
Jun 98	93.96	93.84	93.88	-0.04	274,836
Sep 98	93.85	93.74	93.78	-0.04	217,788
Dec 98	93.74	93.61	93.65	-0.05	190,604
Mar 99	93.70	93.59	93.63	-0.04	134,281
Jun 99	93.65	93.54	93.58	-0.04	104,892
Sep 99	93.60	93.50	93.54	-0.04	85,689
Dec 99	93.53	93.43	93.47	-0.04	73,748
Mar 00	93.53	93.44	93.47	-0.04	64,477

Est. sales 395,314 Thu's sales 462,626
Thu's open int 2,808,778, up 7,963

BRITISH POUND (CMER) 62,500 pounds, $ per pound

	High	Low	Latest	Chge	Opint
Sep 97	1.6240	1.6152	1.6194	+0.0034	46,914
Dec 97	1.6168	1.6092	1.6132	+0.0034	1,607
Mar 98			1.6066	+0.0034	217

Est. sales 6,260 Thu's sales 6,431
Thu's open int 48,739, off 233

CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr

	High	Low	Latest	Chge	Opint
Sep 97	.7220	.7199	.7210	+0.0001	57,514
Dec 97	.7257	.7239	.7246	unch.	6,777
Mar 98	.7280	.7275	.7275	unch.	730

Est. sales 10,612 Thu's sales 6,477
Thu's open int 65,297, up 574

GERMAN MARK (CMER) 125,000 marks, $ per mark

	High	Low	Latest	Chge	Opint
Sep 97	.5594	.5516	.5533	-0.0041	96,061
Dec 97	.5610	.5548	.5565	-0.0041	6,912
Mar 98	.5635	.5590	.5596	-0.0041	1,534

Est. sales 31,269 Thu's sales 41,111
Thu's open int 104,676, off 854

JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen

	High	Low	Latest	Chge	Opint
Sep 97	.8430	.8262	.8281	-.0133	87,616
Dec 97	.8532	.8369	.8389	-.0135	3,454
Mar 98	.8502	.8500	.8502	-.0137	578

Est. sales 30,625 Thu's sales 21,463
Thu's open int 91,657, up 5,356

SWISS FRANC (CMER) 125,000 francs, $ per franc

	High	Low	Latest	Chge	Opint
Sep 97	.6770	.6696	.6712	-0.0036	50,762
Dec 97	.6827	.6767	.6782	-0.0037	3,690
Mar 98			.6852	-0.0037	1,061

Est. sales 12,627 Thu's sales 15,703
Thu's open int 55,723, up 914

MEXICAN PESO (CMER) 500,000 pesos, $ per peso

	High	Low	Latest	Chge	Opint
Sep 97	.12790	.12745	.12752	-.00319	21,880
Dec 97	.12292	.12260	.12262	-.00298	15,193
Mar 98	.11842	.11810	.11812	-.00284	5,855

Est. sales 4,481 Thu's sales 6,158
Thu's open int 45,013, up 100

3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	92.70	92.68	92.69	-0.01	108,175
Dec 97	92.53	92.51	92.51	-0.01	127,963
Mar 98	92.49	92.46	92.47	Unch.	108,921
Jun 98	92.53	92.49	92.50	Unch.	76,567
Sep 98	92.60	92.56	92.58	+0.01	35,885
Dec 98	92.70	92.66	92.68	+0.01	51,047
Mar 99	92.77	92.73	92.75	+0.02	42,313

Est. sales: 32,655. Prev. sales: 70,358.
Prev. open int.: 666,288 up 1,863

3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	96.67	96.64	96.66	Unch.	234,583
Oct 97	96.59	96.59	96.58	-0.01	1,976
Nov 97	N.T.	N.T.	96.52	-0.01	400
Dec 97	96.48	96.45	96.46	-0.01	288,576
Mar 98	96.34	96.29	96.30	-0.01	270,997
Jun 98	96.13	96.06	96.08	-0.02	211,787
Sep 98	95.90	95.83	95.86	-0.02	151,760
Dec 98	95.65	95.59	95.61	-0.02	160,053
Mar 99	95.46	95.40	95.42	-0.02	129,763
Jun 99	95.28	95.23	95.25	-0.03	70,337

Est. sales: 132,434. Prev. sales: 259,331.
Prev. open int.: 1,671,873 off 5,336

3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	96.56	96.53	96.55	+0.01	57,917
Dec 97	96.40	96.36	96.37	+0.01	40,942
Mar 98	96.28	96.24	96.24	Unch.	30,169
Jun 98	96.14	96.08	96.08	-0.01	24,782
Sep 98	95.98	95.92	95.93	Unch.	28,647

Est. sales: 51,261.
Open int.: 262,403 off 1,219.

3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	93.23	93.20	93.22	Unch.	95,953
Dec 97	93.54	93.50	93.53	+0.01	94,217
Mar 98	93.85	93.81	93.84	+0.01	58,589
Jun 98	94.11	94.07	94.09	+0.01	46,933
Sep 98	94.28	94.25	94.26	+0.01	26,947
Dec 98	94.38	94.35	94.36	+0.01	30,715

Est. sales: 30,164. Prev. sales: 56,452.
Prev. open int.: 391,485 off 1,774.

Industrials

COTTON 2 (NCTN) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Oct 97	72.75	72.05	72.70	-0.53	7,795
Dec 97	73.25	72.40	72.93	-0.56	47,528
Mar 98	74.25	73.70	74.20	-0.40	12,944
May 98	75.00	74.60	74.95	-0.55	5,813
Jul 98	75.90	75.45	75.54	-0.65	5,585

Est. sales N.A. Thu's sales 10,570
Thu's open int 87,226, up 90

HEATING OIL (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	Opint
Sep 97	52.70	51.50	51.85	-0.66	9,086
Oct 97	54.05	53.10	53.22	-0.36	46,084
Nov 97	55.10	54.32	54.32	-0.21	21,878
Dec 97	56.15	55.47	55.47	-0.21	23,750
Jan 98	56.85	56.17	56.17	-0.21	19,283
Feb 98	57.15	56.47	56.47	-0.21	10,794
Mar 98	56.70	55.97	55.97	-0.16	8,086

Est. sales N.A. Thu's sales 33,846
Thu's open int 150,746, off 4,221

LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.

	High	Low	Latest	Chge	Opint
Oct 97	19.76	19.53	19.61	+0.03	102,551
Nov 97	19.85	19.66	19.74	+0.07	49,887
Dec 97	19.94	19.75	19.83	+0.07	49,838
Jan 98	19.92	19.80	19.86	+0.07	29,801
Feb 98	19.90	19.82	19.87	+0.07	14,984
Mar 98	19.90	19.85	19.87	+0.07	10,222

Est. sales N.A. Thu's sales 73,836
Thu's open int 404,197, off 1,577

NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu

	High	Low	Latest	Chge	Opint
Sep 97			2.515	unch.	3,808
Oct 97	2.760	2.640	2.715	+0.059	58,841
Nov 97	2.860	2.745	2.820	+0.055	21,039
Dec 97	2.930	2.850	2.920	+0.060	21,464
Jan 98	2.933	2.850	2.910	+0.050	21,207
Feb 98	2.695	2.625	2.670	+0.020	14,708

Est. sales N.A. Thu's sales 75,441
Thu's open int 215,297, up 6,044

UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	Opint
Sep 97	69.50	65.10	68.45	+0.94	7,100
Oct 97	61.90	60.60	61.10	-0.08	45,142
Nov 97	58.30	57.60	57.60	-0.33	14,576
Dec 97	57.30	57.00	57.05	-0.09	12,734
Jan 98	57.20	56.60	57.00	+0.01	11,879
Feb 98	57.50	57.00	57.50	+0.21	3,567
Mar 98			57.79	unch.	5,026
Apr 98			60.49	unch.	2,601

Est. sales N.A. Thu's sales 50,120
Thu's open int 105,529, off 4,041

GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons

	High	Low	Latest	Chge	Opint
Sep 97	165.25	163.50	164.25	+0.25	15,718
Oct 97	167.25	165.50	166.50	Unch.	18,572
Nov 97	169.00	167.50	168.50	Unch.	15,565
Dec 97	170.75	169.50	170.50	Unch.	15,077
Jan 98	172.25	171.00	171.75	Unch.	10,355
Feb 98	172.25	171.25	171.75	-0.25	6,498
Mar 98	171.25	170.50	170.75	-0.25	2,652

Est. sales: 13,223. Prev. sales: 12,771.
Prev. open int.: 87,302 up 920

BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels

	High	Low	Latest	Chge	Opint
Oct 97	18.58	18.39	18.51	+0.11	73,731
Nov97	18.70	18.53	18.61	+0.07	29,366
Dec97	18.82	18.67	18.70	+0.05	19,726
Jan98	18.82	18.72	18.74	+0.05	16,225
Feb98	18.77	18.69	18.72	+0.05	6,520
Mar 98	N.T.	N.T.	18.66	+0.05	3,316

Est. sales: 17,523. Prev. sales: 22,401.
Prev. open int.: 159,900 off 1,347

Stock Indexes

SP COMP INDEX (CMER) 500 x index

	High	Low	Latest	Chge	Opint
Sep 97	909.75	896.00	900.00	+0.20	177,955
Dec 97	919.50	905.60	911.25	+1.80	24,434
Mar 98	929.50	919.00	929.50	+10.05	2,349

Est. sales N.A. Thu's sales 80,229
Thu's open int 205,459, up 1,638

FTSE 100 (LIFFE) £25 per index point

	High	Low	Latest	Chge	Opint
Sep 97	4848.0	4840.0	4824.0	-30.0	69,585
Dec 97	4885.0	4877.0	4885.0	-31.5	7,744
Mar 98	N.T	N.T	4927.0	-32.0	1,810

Est. sales: 10,445. Prev. sales: 12,496.
Prev. open int.: 79,139 up 44

CAC 40 (MATIF) FF200 per index point

	High	Low	Latest	Chge	Opint
Aug 97	2803.0	2778.0	2789.0	-79.0	12,469
Sep 97	2813.0	2768.0	2830.5	-44.5	34,300
Dec 97	2817.0	2793.5	2854.0	-45.0	1,268
Mar 98	0.00	0.00	2878.0	-44.0	9,580

Est. sales: 63,246.
Open int.: 68,610 off 5,708.

Commodity Indexes

	Close	Previous
Moody's	1,577.10	1,572.30
Reuters	1,912.60	1,915.40
D.J. Futures	150.93	150.17
CRB	241.99	240.45

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

CSFB Fires Trader in Options Scandal

WORLD STOCK MARKETS
Friday, Aug. 29

Amsterdam
Bangkok
Bombay
Brussels
Copenhagen

هكذا من الاصل

CSFB Fires Trader in Options Scandal

Compiled by Our Staff From Dispatches

LONDON — Credit Suisse First Boston said Friday that it had fired an options trader over allegedly unauthorized trading that led to losses of as much as $10 million.

The investment banking arm of Credit Suisse said that Philip Penner left within the last few weeks and that the case had been referred to the Securities and Futures Authority of Britain.

"We informed the SFA of the situation and we believe they are currently investigating Mr. Penner," said Susie Pine-Coffin, a spokeswoman for CSFB in London.

She refused to comment on the circumstances of Mr. Penner's departure.

Mr. Penner could not be reached immediately for comment.

The losses at CSFB may be the latest in a series of losses at financial services companies in the City of London caused by lone traders or fund managers. NatWest Markets disclosed this year that a former trader had caused £77 million ($124.3 million) in options losses. Last year, Deutsche Morgan Grenfell paid more than £400 million to investors who had lost money through unauthorized trading by a fund manager.

Banking sources said Credit Suisse was believed to have closed the positions that led to the options losses, thereby stanching further losses.

They also said the trades had not involved client money. Local newspaper reports Friday suggested that the trader concerned had worked for Credit Suisse's client management department.

Richard Farrant, head of Securities and Futures Authority, was quoted as saying that Credit Suisse appeared to have "operated very efficiently in this instance." *(Bloomberg, Reuters)*

EU Examines Guinness-GrandMet Tie-Up

Compiled by Our Staff From Dispatches

BRUSSELS — The European Commission will meet next week with executives from Guinness PLC and Grand Metropolitan PLC to discuss its concerns about the companies' planned merger, a commission spokesman said Friday.

Antitrust lawyers said the commission was likely to demand modifications to the £24 billion ($38.8 billion) deal because of its size, especially in the whiskey market.

The commission, which enforces European Union antitrust policy, sent a formal statement of objections to the companies last week. It declined to discuss the statement's contents.

"It's a statement and not a decision," said Thierry Daman, a commission spokesman. The EU executive body will deliver its ruling by Oct. 27, he added.

The British companies said in May that they would combine to form GMG Brands PLC, which would be the world's biggest liquor business by sales, with brands like Johnnie Walker scotch and Gilbey's gin, as well as Burger King restaurants, Pillsbury foods and Guinness beer.

Bernard Arnault, chairman of LVMH Moet Hennessy Louis Vuitton SA, a French drinks and luxury-goods company, has campaigned to have LVMH included in the deal. After selling Guinness shares and buying GrandMet shares, LVMH holds stakes of more than 10 percent in both companies.

Guinness and GrandMet rejected Mr. Arnault's offer to merge their companies with LVMH's Moet Hennessy cognac and champagne unit. Mr. Arnault also wanted the companies to spin off their non-beverage businesses.

Seagram Co. of Canada also has criticized the merger, and has asked for a thorough review of the deal by antitrust authorities on both sides of the Atlantic.

Seagram and Allied Domecq PLC, another large competitor, would be dwarfed by the merged company.

In a statement in June after launching its investigation, the European Commission said GMG would control 40 percent of the whiskey market in certain European markets. It was particularly concerned that the merged company's share of distilleries in Scotland would enable it "to influence the market position of their competitors, as well as their pricing policies."

Corporate combinations that go into so-called second-stage investigations usually require changes to get EU regulatory approval. The commission rarely blocks deals, preferring instead to request changes. It has blocked only eight mergers and acquisitions since 1990, but it has set tough conditions for others.

Following the statement of objections and the hearing, which are routine steps in detailed investigations, the companies will have until the end of September to persuade the commission that its fears are groundless or offer concessions, usually in the form of asset sell-offs.

"Speaking in a very general sort of way, you would expect the merger to be cleared on concessions," an antitrust lawyer said.

The commission will then submit a draft decision to an advisory committee of antitrust experts from the 15 EU states.

Published reports in Britain have quoted Karel Van Miert, the European competition commissioner, as saying he had "serious objections" to the deal.

Shares of both Guinness and GrandMet dropped Friday in London, with Guinness closing down 11 pence, at 546, and GrandMet down 12 pence, at 566. LVMH's shares also fell, finishing at 1,263 francs ($208.04) in Paris, down 77. *(Reuters, AP, Bloomberg, AFP)*

Investor's Europe

Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	AEX	868.29	877.27	-1.02
Brussels	BEL-20	2,318.81	2,315.24	+0.15
Frankfurt	DAX	3,906.83	3,973.65	-1.70
Copenhagen	Stock Market	608.90	623.15	-2.29
Helsinki	HEX General	3,317.61	3,381.23	-1.88
Oslo	OBX	664.54	677.73	-1.95
London	FTSE 100	4,817.50	4,845.40	-0.58
Madrid	Stock Exchange	574.82	576.42	-0.28
Milan	MIBTEL	14218	14070	+1.05
Paris	CAC 40	2,770.49	2,828.41	-2.05
Stockholm	SX 16	3,271.28	3,306.46	-1.06
Vienna	ATX	1,335.90	1,353.88	-1.33
Zurich	SPI	3,378.83	3,385.53	-0.20

Source: Telekurs — International Herald Tribune

Philips Settles Grundig Obligations

Compiled by Our Staff From Dispatches

EINDHOVEN, Netherlands, — Philips Electronics NV said Friday that it would pay Grundig AG 400 million Deutsche marks ($221.1 million) to settle its obligations to the German electronics maker.

Philips also agreed not to dispute Grundig's 1996 losses, the last Philips would have to absorb under a 1984 agreement. It made Philips liable for the losses and obliged to pay a dividend to shareholders.

Philips said that under the terms of the deal it would pay final compensation of around 400 million DM, of which 225 million DM had already been paid

Philips, which formerly owned 30 percent of the loss-making Grundig, lowered its stake to around 5 percent in January 1997. Since then, it has been in a dispute with the German company over how much it should contribute to cover Grundig's losses.

According to Philips, Grundig deliberately brought forward large extraordinary charges to inflate its 1996 losses and to receive more compensation from Philips.

In July 1997, Philips threatened to go to court in order to have Grundig's 1996 accounts nullified.

The settlement alters Grundig's share ownership, Philips said.

Botts & Co., a London investment bank to whom Philips sold 26.6 percent of its Grundig stake in July, would divest its total 43 percent holding of Grundig's capital to an unnamed group of Bavarian investors.

Grundig said Friday it had narrowed its losses in the first half of 1997, to 69 million DM, as sales fell 5 percent, to 1.27 billion DM. *(Bloomberg, Reuters, AP)*

Krupp Plans New Talks on Thyssen Merger

Compiled by Our Staff From Dispatches

ESSEN, Germany — Fried. Krupp AG Hoesch-Krupp said Friday that a full merger with Thyssen AG remained possible, as Krupp agreed to pay its rival 257 million Deutsche marks ($142.1 million) to settle the consolidation of their flat-steel operations and reported that first-half net profit was unchanged.

Krupp's chief executive, Gerhard Cromme, said the firms would begin talks "shortly" on a merger. Krupp sought to take over Thyssen in March. The firms later agreed to merge their steel operations into a venture that was 60 percent owned by Thyssen and 40 percent by Krupp.

Higher taxes and a 60 million DM charge related to the merger of the steelworks erased a 10 percent increase in Krupp's first-half pretax earnings, which were 204 million DM. The company estimated net profit at 134 million DM, unchanged from the first half of last year. *(Reuters, Bloomberg)*

Telefonica's Profit Rises by 17%

Compiled by Our Staff From Dispatches

MADRID — Telefonica de Espana SA said Friday that strong results from its cellular-phone and international operations helped lift first-half net income by 17 percent.

Spain's dominant telephone company said its profit rose to 84.42 billion pesetas ($540.9 million), up from 71.89 billion pesetas in the year-earlier period.

Revenue rose 18 percent, to 1.12 trillion pesetas, including a 67 percent gain in revenue from basic services, 17 percent from international business and 13 percent from mobile-telephone service.

The results were in line with analysts' expectations, and show "that Telefonica has a high growth potential," said Javier Borrachera of Spain's Central Hispano Bolsa.

Shrinking profit margins in fixed phones and the prospect of more competition in Spain forced Telefonica to expand into Latin America and cellular phones. That strategy attracted British Telecommunications PLC and MCI Communications Corp., which signed an alliance with Telefonica in April.

Telefonica, which is the largest foreign phone operator in Latin America, plans to invest in Mexico, and is considering taking a stake in Avantel, a long-distance carrier, said Francisco Blanco, Telefonica's investment-relations director. *(Bloomberg, Reuters)*

Very briefly:

- **America Online Inc.'s** German service plans to expand operations and services. It also reported that membership doubled in the last nine months, to more than 400,000 users.
- **Germany's** high telephone costs make Internet use more than twice as expensive as in the United States, discouraging use of the global computer network, according to a study commissioned by the Economics Ministry.
- **Daimler-Benz AG** has hired 250 permanent workers as it steps up production of its new A-Class subcompact six weeks before the car goes on sale.
- **Royal PTT Nederland NV's** first-half net rose a less-than-expected 9 percent, to 1.32 billion guilders ($652.5 million), as higher sales were eroded by costs related to the takeover of the Australian transport company TNT Ltd.
- **Topdanmark A/S**, Denmark's third-largest insurance company, said profit rose to 250 million kroner ($36.3 million) as revenue from investments and premium income rose.
- **Britain** had a public deficit of 4.9 percent of gross domestic product in 1996, down from 5.5 percent in 1995, when measured according to Maastricht treaty criteria, government statisticians reported.
- **Deutsche Lufthansa AG's** shares closed down 75 pfennig, at 36.20 DM, as investors decided that the airline's net profit would be eroded by higher taxes.
- **Finland's** GDP grew 0.5 percent in June from May and 6.6 percent from June 1996. Growth in May was 5 percent higher than in May 1996.
- **Swiss** consumer prices rose 0.2 percent in August and were 0.5 percent higher than a year earlier.
- **South Africa's** trade balance in goods swung to a deficit of 116 million rand ($24.7 million) in July from a surplus of 3.2 billion rand in June, breaking four straight months of surpluses. *Reuters, Bloomberg, AFP, AFX*

WORLD STOCK MARKETS

Friday, Aug. 29
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 868.29 Previous: 877.27

	High	Low	Close	Prev.
ABN-AMRO	40.60	39.50	39.90	40.20
Aegon	152.30	149.50	151	151.10
Ahold	51.80	49.70	50.20	52.70
Akzo Nobel	322	315.20	315.20	325
Baan Co.	124	112.50	122.30	121.70
Bols Wess cva	35.20	33.70	34	35.20
CSM cva	96.40	94.20	94.50	96
Dordtsche Pet	104	102.50	103.60	104
DSM	191.50	185	191.50	187.50
Elsevier	31	30.20	30.80	30.90
Fortis Amev	83.60	79.70	81.80	80.50
Getronics	63	61	61.50	63.50
G-Broc cva	59	55.80	57.30	57.60
Hagemeyer	104.80	100.60	104.50	104.50
Heineken	321.50	313	320.50	319
Hoogovens cva	114.50	111	114.50	115.50
Hunt Douglas	85.10	83.50	85.10	84.10
ING Group	92	88.50	88.50	90.50
KLM	67	64.50	64.80	65.50
KNP BT	45.60	43.60	43.70	45.30
KPN	75.30	72	72.10	73.20
Nedlloyd Gp	62.30	60.10	60.20	62
Nutricia	318	308.50	314	315
Oce Grinten	247	239.10	239.10	246.90
Philips Elec	145.30	142.80	144.70	144.70
Polygram	108.50	106.10	106.10	108
Randstad Hdg	82.60	79.10	79.80	81.50
Robeco	189	187.50	188	192
Rodamco	61.10	60.30	60.60	62.20
Rolinco	190	188	189	193
Rorento	117	116.70	116.70	116.50
Royal Dutch	104.10	102.10	103.20	103.50
Unilever cva	416.90	410.20	411	415
Vendex Intl	102.50	99	101.80	100
VNU	42.80	41	42.40	43
Wolters Kl cva	245	240.10	240.60	245.80

Bangkok
SET index: 502.22 Previous: 511.76

	High	Low	Close	Prev.
Adv Info Svc	164	148	161	160
Bangkok Bk F	170	161	169	180
Krung Thai Bk	23	21.75	22.50	23.50
PTT Explor	326	302	322	312
Siam Cement F	524	492	524	550
Siam Com Bk F	86.50	79.50	86.50	85.50
Telecomasia	28.75	27.25	27.75	29.75
Thai Airways	40	37.25	39.50	40.25
Thai Farm Bk F	98	94	98	102
Utd Comm	107	99	107	101

Bombay
Sensex 30 index: 3876.08 Previous: 3963.15

	High	Low	Close	Prev.
Bajaj Auto	807.50	786.50	801	804.25
Hindust Lever	1366	1340	1350.50	1362.75
Hindust Petlm	486.50	471.25	477.25	489.25
Ind Dev Bk	99.75	95.75	98.75	98.50
ITC	511	490	492	504
Mahanagar Tel	250.25	236.50	239.50	253
Reliance Ind	338.50	327.25	329.50	337
State Bk India	302.50	280.75	285	303.25
Steel Authority	20.50	19.50	20.25	20.50
Tata Eng Loco	338	330	335	339

Brussels
BEL-20 index: 2318.81 Previous: 2315.24

	High	Low	Close	Prev.
Almanij	1600	1530	1590	1600
Barco Ind	7300	7120	7290	7250
BBL	8780	8520	8670	8710
CBR	3040	2970	3005	2995
Colruyt	17700	17350	17550	17700
Delhaize Lion	1720	1695	1710	1715
Electrabel	7310	7200	7310	7250
Electrafina	3435	3420	3420	3450
Fortis AG	7300	6920	7300	7020
Gevaert	3340	3200	3340	3260
GBL	5550	5410	5550	5520
Gen Banque	14000	13775	13925	13875
Kredietbank	13825	13600	13825	13825
Petrofina	13400	13150	13275	13325
Powerfin	4875	4840	4875	4850
Royale Belge	10275	9980	10250	10175
Soc Gen Belg	3330	3200	3320	3350
Solvay	2080	2035	2080	2065
Tractebel	14800	14550	14800	14625
UCB	119000	115000	115900	119100

Copenhagen
Stock index: 608.90 Previous: 623.15

	High	Low	Close	Prev.
BG Bank	378	363	368	374
Carlsberg B	359	341	344	350
Codan Fors	930	924	925	937.80
Danisco	380.38	370	373	379
Den Danske Bk	680	644	650	683
D/S Svendborg B	410000	407000	408000	420000
D/S 1912 B	289289	281000	288000	289710
FLS Ind B	235.24	200	215	235
Kob Lufthavne	735	733.16	733.16	737
Novo Nordisk B	795	691	695	700
Sophus Ber B	955	945	953	950
Tele Danmk B	380.38	355	360	382
Tryg Baltica	395	390	390	404
Unidanmark A	424.54	399.60	402.16	423

Frankfurt
DAX: 3906.83 Previous: 3972.45

	High	Low	Close	Prev.
AMB B	1650	1620	1650	1670
Adidas	220	216	217.50	221
Allianz Hdg	408	397.50	399.20	407.80
Altana	137.50	131.70	135.40	136
Bk Berlin	44.70	44	44.20	44.70
BASF	62.60	61.60	61.90	63
Bayer Hypo Bk	66.25	65.60	66	67.75
Bay.Vereinsbank	94.30	92.80	93.70	95
Bayer	66.98	66.63	66.41	67.02
Beiersdorf	75	71.50	72.90	75.10
Bewag	38.20	37.75	37.75	38.50
BMW	1290	1270	1280	1307
CKAG Colonia	165	154	165	157
Commerzbank	63	61.60	62.60	64.50
Daimler Benz	135.80	132.30	135	135.20
Degussa	88.50	88	88	91.70
Deutsche Bank	105.90	105.10	105.50	108.70
Deut Telekom	36.25	35.75	36	37.10
Dresdner Bank	71.70	69.50	71.70	72.50
Fresenius	325	308	325	315
Fresenius Med	126.80	125.20	125.30	128
Fried. Krupp	386	374.50	386	372.20
Gehe	110.60	107	110.60	107.50
Heidelbg Zmt	136	132	134.50	137
Henkel pfd	92	90.50	91.10	92.50
HEW	450	440	445	455
Hochtief	85	80	85	85.50
Hoechst	71.75	70	71.45	71.80
Karstadt	630	621	623	642
Lahmeyer	90.20	89.10	89.10	91.50
Linde	1225	1200	1215	1205
Lufthansa	37.10	36.20	36.20	36.95
MAN	497	493	495	511.30
Mannesmann	841	826	836	853
Metallgesellschaft	40.50	38.95	40.50	39.40
Metro	82.90	80	82.50	84.50
Munch Rueck R	546	518	535	560
Preussag	507	498	506.50	515
RWE	82	80.50	81.50	83
SAP pfd	399	390.20	398	401.70
Schering	177.80	173.70	175.70	180.75
SGL Carbon	224	220.50	224	224.50
Siemens	111.15	109.50	110.70	112.55
Springer (Axel)	1580	1580	1580	1600
Suedzucker	850	845	846	850
Thyssen	420	410.50	415	421.50
Veba	98	94.10	98	97.10
VEW	572	570	572	572
Viag	750	741	749.50	762
Volkswagen	1302	1291	1295	1307

Helsinki
HEX General index: 3317.61 Previous: 3381.23

	High	Low	Close	Prev.
Enso A	47.50	46.10	47	47.70
Huhtamaki I	215	211	215	218
Kemira	48.10	47.50	48	48
Kesko	70.50	69.50	69.50	70.50
Merita A	21.80	21.30	21.40	22.20
Metra B	155	150	150.50	155
Metsa-Serla B	45.50	44	45	46.50
Neste	136	132.10	134	138
Nokia A	422.70	414	420	426.50
Orion-Yhtymae	179	173	175	178
Outokumpu A	89	86.50	86.50	89.50
UPM-Kymmene	131.80	127.80	128.50	131.80
Valmet	79	78	79	79

Hong Kong
Hang Seng: 14135.25 Previous: 14874.10

	High	Low	Close	Prev.
Amoy Props	8	7.50	7.80	8.10
Bk East Asia	28.20	27.40	27.65	28.30
Cathay Pacific	12.90	12.30	12.60	13
Cheung Kong	83.75	80	82.25	87.75
CK Infrastruct	23.80	22.55	22.60	24.10
China Light	36.90	35.60	35.90	37.30
Citic Pacific	43	40.70	41.30	42.60
Dao Heng Bk	36	30.70	33	34.20
First Pacific	8.20	7.70	7.80	8.80
Hang Lung Dev	14.20	13.70	14	14.40
Hang Seng Bk	95.50	92.50	93.50	98
Henderson Inv	8.30	8	8.20	8.45
Henderson Ld	66.50	63.75	64.25	67.50
HK China Gas	15	14.40	14.40	15.15
HK Electric	27.65	26.40	27.15	27.60
HK Telecomm	16.95	14.20	16.20	17.30
Hopewell Hdgs	4.75	4.40	4.58	4.72
HSBC Hdgs	240	230	235	248
Hutchison Wh	68	64.25	64.50	71.25
Hysan Dev	22.90	22.20	22.50	23
Johnson El Hdg	19.90	17.40	17.40	20
Kerry Props	20.35	19.25	19.25	20.55
New World Dev	48.70	46.30	48.40	48.70
Oriental Press	2.75	2.65	2.67	2.80
Pearl Oriental	1.40	1.32	1.37	1.41
SHK Props	90.50	86	88	93
Shun Tak Hdgs	4.47	4.33	4.38	4.53
Sino Land Co.	7.40	7.20	7.35	7.50
Sth China Post	6.35	6	6.20	6.30
Swire Pac A	62	58.75	59.25	63
Wharf Hdgs	28.35	27.60	28.05	28.75
Wheelock	16.55	15.80	16.10	16.85

Jakarta
Composite index: 493.96 Previous: 530.37

	High	Low	Close	Prev.
Astra Intl	N.T.	N.T.	N.T.	5725
Bk Intl Indon	900	800	825	950
Bk Negara	975	875	925	975
Gudang Garm	8700	8000	8000	8950
Indocement	3250	3100	3100	3275
Indofood	N.T.	N.T.	N.T.	3775
Indosat	6300	6000	6000	6550
Sampoerna HM	6700	6000	6250	6850
Semen Gresik	3125	2800	3000	3000
Telekomunikasi	2925	2650	2675	3025

Johannesburg
All Market: 7304.98 Previous: 7380.35

	High	Low	Close	Prev.
Amalgamtd Bks	30.45	30	30.45	30.45
AngloAm Coal	275	273	273	278
AngloAm Corp	243.50	240	240.75	241.50
AngloAm Gold	253	250.50	252	254.50
AngloAm Ind	198.50	197	197.25	199
AVMIN	11.60	11.50	11.50	11.25
Barlow	55.25	54.75	55.25	55.25
C.G. Smith	24.35	23.75	23.95	24.35
De Beers	151.25	149.25	149.50	151.25
Driefontein	34.50	34	34.25	34.75
Fst Natl Bk	37.60	36.85	37	37.70
Gencor	12	11.75	11.95	11.65
GFSA	96	94.50	96	95.75
Imperial Hdgs	62	60.50	62	62
Ingwe Coal	24.15	23.80	23.80	24.10
Iscor	2.94	2.80	2.89	2.95
Johnnies Indl	62	60.50	61.50	61.75
Liberty Hdgs	384	380	380	383.50
Liberty Life	145	143	144.50	146.25
LibLife Strat	17.80	17.30	17.30	18.05
Minorco	99	98.75	98.75	98.75
Nampak	19.75	18.90	19	19.25
Nedcor	93	92	92	93
Rembrandt Gp	45.70	45.20	45.40	46
Richemont	63.50	62.25	62.25	64.25
Rust Platinum	80	79.50	79.75	80
SA Breweries	141	140	140.75	141
Samancor	36.50	35	35	36.50
Sasol	63.75	62.25	62.50	64.75
SBIC	210	205	210	213
Tiger Oats	71	69	70	71.75

Kuala Lumpur
Composite: 804.40 Previous: 812.18

	High	Low	Close	Prev.
AMMB Hdgs	11	9.60	10.40	10.50
Genting	10	9.45	10	9.80
Mal Banking	20.10	19	19.40	20.10
Mal Intl Ship F	6	4.96	6	5.10
Petronas Gas	8.40	7.85	8.05	7.95
Proton	8.60	7.95	8.50	8.40
Public Bk	3.04	2.70	2.74	3
Renong	3.02	2.78	3	3
Resorts World	6.20	5.40	5.60	5.60
Rothmans PM	25	23.20	23.50	24.90
Sime Darby	7	6.50	6.90	6.85
Telekom Mal	8.95	8.15	8.90	8.90
Tenaga	8.90	7.90	8.70	8.70
Uts Engineers	13	11.70	11.90	12.80
YTL	5.10	4.36	4.66	5

London
FT-SE 100: 4817.50 Previous: 4845.40

	High	Low	Close	Prev.
Abbey Natl	8.38	8.18	8.30	8.38
Allied Domecq	4.67	4.60	4.67	4.66
Anglian Water	7.80	7.72	7.78	7.72
Argos	6.27	6.13	6.22	6.18
Asda Group	1.47	1.44	1.45	1.46
Assoc Br Foods	5.19	5.10	5.19	5.12
BAA	5.64	5.50	5.55	5.63
Barclays	14.22	13.93	14.13	14.21
Bass	8.31	8.22	8.27	8.27
BAT Ind	5.22	5.13	5.17	5.20
Bank Scotland	4.17	4.06	4.16	4.07
Blue Circle	4.02	3.83	3.87	4.04
BOC Group	10.78	10.62	10.65	10.83
Boots	8.01	7.92	7.99	8.03
BPB Ind	3.42	3.38	3.40	3.39
Brit Aerosp	14.60	14.33	14.44	14.59
Brit Airways	6.49	6.34	6.43	6.47
BG	2.71	2.64	2.70	2.66
Brit Land	5.81	5.65	5.74	5.81
Brit Petm	8.82	8.58	8.63	8.80
BSkyB	4.37	4.25	4.34	4.31
Brit Steel	1.73	1.69	1.73	1.72
Brit Telecom	4.48	3.98	3.98	4.02
BTR	2.22	2.04	2.18	2.07
Burmah Castrol	10.58	10.18	10.35	10.60
Burton Gp	1.25	1.22	1.24	1.24
Cable Wireless	5.45	5.30	5.41	5.43
Cadbury Schw	5.78	5.69	5.72	5.77
Carlton Comm	4.93	4.87	4.91	4.88
Comml Union	7.45	7.38	7.42	7.46
Compass Gp	6.23	6.15	6.15	6.24
Courtaulds	3.17	3.12	3.15	3.15
Dixons	6.53	6.48	6.51	6.54
Electrocomponents	4.63	4.60	4.62	4.61
EMI Group	5.60	5.48	5.56	5.60
Energy Group	6.29	6.17	6.26	6.23
Enterprise Oil	6.92	6.81	6.90	6.86
Fors Colonial	1.70	1.68	1.69	1.71
Genl Accident	9.15	9.05	9.07	9.16
GEC	3.83	3.76	3.82	3.78
GKN	11.84	10.70	11.84	11.78
Glaxo Wellcome	12.35	12.07	12.35	12.23
Granada Gp	8.17	8.06	8.12	8.23
Grand Met	5.77	5.63	5.67	5.78
GRE	2.76	2.70	2.72	2.78
Greenalls Gp	4.77	4.71	4.72	4.76
Guinness	5.57	5.43	5.47	5.57
GUS	6.32	6.23	6.27	6.32
Hays	6.18	6.12	6.15	6.19
HSBC Hldgs	18.90	18.25	18.38	18.87
ICI	10.07	9.93	9.98	10.12
Impl Tobacco	3.89	3.81	3.85	3.87
Kingfisher	7.29	7.18	7.25	7.31
Ladbroke	2.63	2.55	2.59	2.62
Land Sec	9.07	8.90	8.98	9.07
Lasmo	2.60	2.51	2.59	2.58
Legal Genl Grp	4.53	4.41	4.53	4.47
Lloyds TSB Gp	7.26	7	7.23	7.25
LucasVarity	1.97	1.93	1.97	1.97
Marks Spencer	5.93	5.80	5.85	5.93
MEPC	4.72	4.66	4.69	4.70
Mercury Asset	13.50	13.27	13.35	13.42
National Grid	2.71	2.63	2.66	2.69
Natl Power	5.70	5.55	5.68	5.57
NatWest	7.96	7.85	7.88	7.95
Next	7.65	7.40	7.42	7.65
Norwich Union	3.45	3.35	3.41	3.40
Orange	2.23	2.06	2.17	2.09
P&O	6.50	6.41	6.50	6.54
Pearson	7.30	7.18	7.25	7.28
Pilkington	1.49	1.44	1.46	1.48
PowerGen	7.91	7.78	7.82	7.76
Premier Farnell	5.28	5.21	5.23	5.18
Prudential	6.14	6.04	6.09	6.09
Railtrack Gp	7.73	7.65	7.73	7.74
Rank Group	3.57	3.47	3.54	3.46
Reckitt Colm	9.65	9.43	9.52	9.57
Redland	2.97	2.88	2.90	2.97
Reed Intl	5.50	5.38	5.46	5.48
Rentokil Initial	2.20	2.15	2.17	2.17
Reuters Hdgs	6.33	6.20	6.26	6.35
Rexam	2.99	2.88	2.98	2.97
RTZ reg	9.95	9.68	9.73	9.98
RMC Group	10.11	10	10.04	10.13
Rolls Royce	2.37	2.29	2.34	2.36
Royal Bk Scot	5.91	5.78	5.86	5.98
Royal & Sun All	5.17	4.99	5	5.18
Safeway	3.78	3.71	3.75	3.76
Sainsbury	4.35	4.25	4.32	4.38
Schroders	19	18.73	18.93	18.83
Scot Newcastle	7.27	7.19	7.24	7.25
Scot Power	4.51	4.33	4.35	4.40
Securicor	2.67	2.63	2.63	2.64
Severn Trent	8.83	8.68	8.78	8.72
Shell Transp R	4.23	4.12	4.17	4.27
Siebe	10.85	10.65	10.75	10.87
Smith Nephew	1.75	1.73	1.74	1.76
SmithKline	5.40	5.20	5.36	5.26
Smiths Ind	8.22	8.17	8.21	8.20
Sthern Elec	4.67	4.60	4.65	4.64
Stagecoach	6.85	6.76	6.82	6.87
Stand Charter	8.65	8.16	8.27	9.09
Tate & Lyle	4.18	4.08	4.10	4.16
Tesco	4.15	4.03	4.09	4.13
Thames Water	7.98	7.85	7.93	7.89
3i Group	4.82	4.76	4.82	4.78
TI Group	5.90	5.83	5.89	5.93
Tomkins	3.02	2.95	2.99	2.99
Unilever	17.37	17	17.09	17.36
Utd Assurance	4.34	4.28	4.28	4.33
Utd News	6.84	6.75	6.80	6.90
Utd Utilities	6.95	6.88	6.90	6.92
Vendome Lx uts	4.64	4.58	4.60	4.64
Vodafone	3.18	3.02	3.13	3.10
Whitbread	8.07	7.93	8.07	7.98
Williams Hdgs	3.51	3.46	3.49	3.50
Wolseley	4.48	4.43	4.46	4.48
WPP Group	2.77	2.71	2.77	2.75
Zeneca	19.70	19.42	19.56	19.64

Madrid
Bolsa index: 574.82 Previous: 576.42

	High	Low	Close	Prev.
Acerinox	25300	24990	25070	25460
ACESA	1815	1780	1810	1775
Aguas Barcelon	5530	5410	5530	5490
Argentaria	7650	7530	7570	7650
BBV	4020	3980	4005	4020
Banesto	1435	1415	1425	1420
Bankinter	7730	7650	7730	7690
Bco Centro Hisp	5640	5560	5630	5620
Bco Popular	34180	34000	34070	34090
Bco Santander	4255	4200	4240	4290
CEPSA	4545	4500	4535	4510
Continente	3285	3150	3185	3295
Corp Mapfre	8530	8350	8400	8500
Endesa	3080	3050	3070	3100
FECSA	1210	1200	1200	1200
Gas Natural	6850	6640	6850	6690
Iberdrola	1740	1710	1710	1720
Pryca	2865	2840	2850	2855
Repsol	6050	6000	6020	6030
Sevillana Elec	1365	1340	1355	1350
Tabacalera	8130	8010	8120	8040
Telefonica	3990	3945	3950	3985
Union Fenosa	1180	1165	1180	1180
Valenc Cement	2825	2795	2805	2790

Manila
PSE index: 2022.52 Previous: 2071.97

	High	Low	Close	Prev.
Ayala B	14.75	13.25	14.25	14
Ayala Land	15	13.50	15	13.75
Bk Philip Isl	119	100	114	119
C&P Homes	5.20	4.30	5	5
Manila Elec A	73	68.50	71	73
Metro Bank	407.50	290	335	407.50
Petron	4.45	3.90	4.35	4.45
PCIBank	175	120	150	180
Phil Long Dist	800	675	770	750
San Miguel B	53	48	50	53.50
SM Prime Hdg	6.60	5.70	6.30	6.40

Mexico
Bolsa index: 4621.24 Previous: 4789.28

	High	Low	Close	Prev.
Alfa A	61.50	59.00	59.50	61.80
Banacci B	21.90	20.85	20.95	21.95
Cemex CPO	38.60	37.20	37.30	39.10
Cifra C	13.80	13.30	13.78	14.08
Emp Moderna	41.50	40.95	40.95	42.00
Gpo Carso A1	55.00	52.80	53.60	55.00
Gpo F Bcomer	3.37	3.18	3.29	3.40
Gpo Fin Inbursa	33.00	31.95	32.15	33.75
Kimb Clark Mex	36.05	34.90	35.00	36.50
Televisa CPO	129.50	128.10	128.10	131.40
TelMex L	18.66	17.66	17.88	18.98

Milan
MIB Telematico: 14218.00 Previous: 14070.00

	High	Low	Close	Prev.
Alleanza Assic	14700	14300	14700	14580
Bca Comm Ital	4400	4315	4400	4400
Bca Fideuram	6100	5775	6100	6010
Bca di Roma	1570	1530	1570	1548
Benetton	25550	25100	25550	25450
Credito Italiano	3650	3560	3650	3580
Edison	8240	8020	8240	8130
ENI	9850	9650	9850	9795
Fiat	5485	5380	5420	5460
Generali Assic	37250	36600	37200	37200
IMI	16395	16105	16395	16295
INA	2575	2525	2575	2575
Italgas	5420	5300	5420	5385
Mediaset	7745	7530	7745	7585
Mediobanca	11800	11160	11490	11370
Montedison	1075	1059	1070	1073
Olivetti	725	695	715	732
Parmalat	2750	2630	2735	2695
Pirelli	4585	4445	4445	4620
RAS	14985	14650	14985	14920
Rolo Banca	22000	21700	21700	21800
S Paolo Torino	12300	12100	12300	12380
Telecom Italia	10480	10150	10480	10215
TIM	6100	5630	6100	5710

Montreal
Industrials index: 3518.40 Previous: 3529.21

	High	Low	Close	Prev.
Bce Mob Com	50½	50½	50½	50.30
Cdn Tire A	26.35	26.05	26.05	26.40
Cdn Util A	37.40	37.05	37.15	37½
CT Finl Svc	43.60	43.60	43.60	43.60
Gaz Metro	18	17¾	18	18.15
Gt-West Lifeco	33.40	33	33	33.60
Imasco	39.65	39.35	39.65	39½
Investors Grp	33.70	33	33.20	34¼
Loblaw Cos	20	20	20	20.10
Natl Bk Canada	17.90	17.80	17.80	17.85
Power Corp	38.30	38.10	38.10	38.10
Power Finl	37½	36.80	37½	37
Quebecor B	25.90	25.80	25.90	25.95
Rogers Comm B	9.65	9.45	9.45	9.45
Royal Bk Cda	65.30	65	65.15	65.10

Oslo
OBX index: 664.54 Previous: 677.73

	High	Low	Close	Prev.
Aker A	132	128.50	130	130
Bergesen Dy A	200	196	200	197
Christiania Bk	25.50	25	25.50	25.50
Den norske Bk	30.70	30.40	30.50	30.50
Elkem	134.50	132.50	133	134.50
Hafslund A	44	43	44	43.50
Kvaerner Asa	398	392	398	394.50
Norsk Hydro	405	394	405	396
Norske Skog A	277	275	277	276
Nycomed A	149.50	147	149.50	147
Orkla Asa A	539	526	529	540
Petm GeoSvc	450	438	450	432
Saga Petm A	159	157	158	157
Schibsted	128	123	127	124
Transocean Off	710	710	710	710
Storebrand Asa	49.10	48.60	49.10	49

Paris
CAC-40: 2770.49 Previous: 2828.41

	High	Low	Close	Prev.
Accor	927	910	910	920
AGF	218.90	213.20	217	219
Air Liquide	940	925	929	938
Alcatel Alsth	751	742	744	759
Axa-UAP	389	384	387	390.60
Bancaire	693	666	669	691
BIC	446.80	426.10	439	438.50
BNP	266	259	259	263.50
Canal Plus	981	963	979	985
Carrefour	3768	3650	3661	3770
Casino	302.50	286	302	296.60
CCF	304.50	297.10	300.70	302.50
Cetelem	630	612	613	630
Christian Dior	894	853	855	891
CLF-Dexia Fran	543	520	524	533
Credit Agricole	1277	1277	1277	1286
Danone	913	902	904	919
Elf-Aquitaine	694	670	675	697
Eridania BS	814	790	790	820
Eurodisney	8.60	8.55	8.60	8.65
Eurotunnel	7.05	6.85	7.05	7
Gen. Eaux	694	676	678	700
Havas	377.70	360.60	370.90	365.50
Imetal	850	838	848	842
Lafarge	396.50	390.10	392	398.50
Legrand	1094	1071	1074	1087
L'Oreal	2210	2149	2167	2206
LVMH	1325	1253	1263	1340
Michelin B	342.90	339.50	341	344.10
Paribas A	429	417	418.40	428
Pernod Ricard	292	283	283.50	290.50
Peugeot Cit	690	677	681	690
Pinault-Print	2612	2555	2592	2599
Promodes	2237	2180	2189	2217
Renault	158	150.50	154	159
Rexel	1700	1680	1700	1729
Rh-Poulenc A	223.80	219	222.80	226
Sanofi	605	580	583	606
Schneider	323.60	310.20	323.30	314.30
SEB	967	950	950	966
SGS Thomson	563	548	561	560
Ste Generale	763	751	754	771
Sodexho	2770	2706	2745	2762
St Gobain	849	823	834	845
Suez (Cie)	15.25	15.10	15.10	15.60
Suez Lyon Eaux	635	608	611	634
Synthelabo	738	711	733	725
Thomson CSF	164.80	156.10	162.10	159
Total B	581	568	569	584
Usinor	107	103.70	105.30	107.90
Valeo	371.50	361	365	371

São Paulo
Bovespa index: 10714.10 Previous: 11267.10

	High	Low	Close	Prev.
Bradesco Pfd	11.00	10.60	10.80	11.10
Brahma Pfd	743.010	730.00	730.010	743.00
Cemig Pfd	50.490	48.00	48.50	53.00
CESP Pfd	78.80	74.50	76.00	78.80
Copel	15.690	15.30	15.30	15.80
Eletrobras	485.00	458.00	467.00	490.00
Itaubanco Pfd	650.00	628.00	629.50	660.010
Light Servicios	435.00	430.00	430.00	430.00
Lightpar	410.00	400.00	400.00	422.40
Petrobras Pfd	282.00	264.00	269.00	290.00
Paulista Luz	190.00	187.00	187.00	193.10
Sid Nacional	37.510	37.00	37.00	38.00
Souza Cruz	10.5400	10.5000	10.5000	10.5000
Telebras Pfd	136.50	128.30	130.40	136.80
Telemig	160.00	150.00	150.00	163.050
Telerj	143.00	138.00	140.70	145.00
Telesp Pfd	340.00	325.00	328.990	350.00
Unibanco	38.790	36.70	38.790	40.350
Usiminas Pfd	1.35000	1.16000	1.20000	1.93000
CVRD Pfd	26.5000	25000	25.5000	26.8000

Seoul
Composite index: 704.27 Previous: 716.86

	High	Low	Close	Prev.
Dacom	91000	89100	90000	90200
Daewoo Heavy	7710	7500	7600	7710
Hyundai Eng.	20000	18600	19000	20100
Kia Motors	12700	11400	11800	12300
Korea El Pwr	24500	23300	23600	24000
Korea Exch Bk	5330	5150	5150	5300
LG Semicon	43500	40100	40100	43500
Pohang Iron St	60000	56000	57900	56700
Samsung Display	46500	45600	45600	46500
Samsung Elec	72500	70300	70800	71300
Shinhan Bank	9000	8600	8760	9000
SK Telecom	485000	470000	479000	488500

Singapore
Straits Times: 1885.44 Previous: 1846.42

	High	Low	Close	Prev.
Asia Pac Brew	5.20	5.10	5.10	5.35
Cerebos Pac	4.10	3.80	4.08	4.08
City Devlts	10.40	9.35	9.55	10.50
Cycle Carriage	9.50	8.45	8.70	10.30
Dairy Farm Intl*	0.85	0.80	0.84	0.88
DBS foreign	16.60	13.30	16	16.20
DBS Land	4	3.76	3.88	4.04
Fraser & Neave	8.50	7.85	8	8.65
HK Land*	3	2.70	2.89	3.06
Jard Matheson*	7.60	7	7	7.35
Jard Strategic*	3.74	3.56	3.70	3.86
Keppel A	5.65	5.20	5.40	5.60
Keppel Bank	3.40	3.16	3.16	3.40
Keppel Fels	4.14	3.84	3.88	4.10
Keppel Land	4.12	3.80	3.94	4.16
OCBC foreign	11.80	9.90	11.80	11.40
OS Union Bk F	7.10	6.30	6.85	7.10
Parkway Hdgs	5.70	5.40	5.70	5.95
Sembawang	6.65	5.90	6.45	6.90
Sing Air foreign	11	10	11	11.40
Sing Land	6.85	6.45	6.70	6.70
Sing Press F	21.20	18.10	19.10	21.40
Sing Tech Ind	2.63	2.30	2.32	2.64
Sing Telecomm	2.30	2.15	2.21	2.30
Tat Lee Bank	2.84	2.71	2.81	2.76
Utd Industrial	1.06	1	1.03	1.07
Utd O'Seas Bk F	11.90	10.50	11.70	12.10
Wing Tai Hdgs	3.30	3.08	3.20	3.24

*: in U.S. dollars.

Stockholm
SX 16 index: 3271.28 Previous: 3306.46

	High	Low	Close	Prev.
AGA B	114	110	113	110.50
ABB A	115	113.50	114.50	115.50
AssiDoman	242	236	239	241
Astra A	128	121	125.50	129
Atlas Copco A	241	237.50	237.50	241
Autoliv	308.50	303	307	305.50
Electrolux B	565	550	560	556
Ericsson B	332	326	328	333
Hennes B	303	292	297	301
Incentive A	730	720	726	725
Investor B	388	382	383.50	388
MoDo B	267	260	260	264
Nordbanken	250	242	250	245
Pharm/Upjohn	270	265	267	269
Sandvik B	242	235	239.50	237
Scania B	217.50	213	216	216.50
SCA B	175.50	173	174.50	175
S-E Banken A	88	82	84.50	82.50
Skandia Fors	310	301	305	310
Skanska B	319	312	312.50	320
SKF B	213	207.50	213	210
Sparbanken A	174	170	171	173.50
Stora A	126.50	123	125	127
Sv Handles A	244.50	237	242	241
Volvo B	203.50	199.50	202	203.50

Sydney
All Ordinaries: 2573.08 Previous: 2631.30

	High	Low	Close	Prev.
Amcor	8.24	8.15	8.24	8.30
ANZ Bkng	10.03	9.69	9.78	10.18
BHP	17.12	16.82	17.08	17.25
Boral	4.01	3.94	3.97	4.02
Brambles Ind.	27.45	26.73	26.80	27.75
CBA	15.20	14.85	15.04	15.25
CC Amatil	14.38	13.74	13.88	14.60
Coles Myer	6.35	6.10	6.34	6.37
Comalco	6.81	6.65	6.80	6.90
CSR	4.89	4.70	4.82	4.90
Fosters Brew	2.61	2.56	2.57	2.62
Goodman Fld	1.95	1.93	1.95	1.97
ICI Australia	12.86	12.50	12.70	12.90
Lend Lease	30.19	29.30	29.35	30.35
MIM Hdgs	1.64	1.55	1.63	1.65
Nat Aust Bank	18.96	18.80	18.90	19.06
Nat Mutual Hdg	2.10	2	2.02	2.12
News Corp	6.13	6.01	6.13	6.03
Pacific Dunlop	3.52	3.40	3.50	3.53
Pioneer Intl	4.58	4.45	4.58	4.56
Pub Broadcast	8	7.78	8	8.10
Rio Tinto	20.27	19.95	20.11	20.34
St George Bank	8.13	7.90	8.04	8.15
WMC	7.10	6.85	6.90	7.12
Westpac Bkng	8	7.80	7.89	8.06
Woodside Pet	11.01	10.79	10.90	11.04
Woolworths	4.19	4.05	4.16	4.20

Market Closed

The stock market in Taipei was closed Friday due to a typhoon.

Tokyo
Nikkei 225: 18229.42 Previous: 18451.45

	High	Low	Close	Prev.
Ajinomoto	1130	1090	1100	1130
All Nippon Air	709	702	708	707
Amway	3200	3100	3180	3040
Asahi Bank	875	859	874	874
Asahi Chem	636	623	628	643
Asahi Glass	921	912	917	929
Bk Tokyo Mitsu	2210	2180	2190	2220
Bk Yokohama	512	500	512	511
Bridgestone	2690	2630	2670	2740
Canon	3360	3260	3330	3320
Chubu Elec	2030	2010	2020	2010
Chugoku Elec	1960	1950	1950	1960
Dai Nipp Print	2610	2510	2520	2610
Daiei	824	804	824	834
Dai-Ichi Kang	1430	1400	1400	1440
Daiwa Bank	635	621	635	638
Daiwa House	1400	1350	1390	1410
Daiwa Sec	760	730	760	760
DDI	6300a	6210a	6300a	6410a
Denso	2660	2600	2600	2650
East Japan Ry	5500a	5260a	5500a	5400a
Eisai	2330	2270	2290	2360
Fanuc	4640	4530	4620	4660
Fuji Bank	1510	1470	1470	1510
Fuji Photo	4650	4530	4640	4650
Fujitsu	1450	1410	1440	1480
Hachijuni Bk	1150	1140	1150	1150
Hitachi	1120	1090	1110	1140
Honda Motor	3760	3600	3720	3640
IBJ	1670	1640	1660	1660
IHI	370	365	368	373
Itochu	504	496	497	511
Ito-Yokado	6510	6300	6500	6500
JAL	503	490	503	490
Japan Tobacco	9740a	9590a	9690a	9900a
Jusco	3220	3070	3220	3140
Kajima	635	613	634	635
Kansai Elec	2250	2210	2250	2220
Kao	1780	1750	1780	1770
Kawasaki Hvy	472	465	471	472
Kawa Steel	299	290	299	293
Kinki Nipp Ry	690	674	679	685
Kirin Brewery	989	969	977	984
Kobe Steel	170	165	165	168
Komatsu	790	747	747	803
Kubota	495	472	486	479
Kyocera	7600	7370	7600	7900
Kyushu Elec	1970	1950	1960	1960
LTCB	608	596	597	604
Marubeni	445	430	437	441
Marui	1930	1860	1910	1890
Matsu Comm	3940	3850	3930	4030
Matsu Elec Ind	2230	2170	2220	2240
Matsu Elec Wk	1300	1270	1300	1300
Mitsubishi	1200	1180	1190	1220
Mitsubishi Ch	315	302	315	311
Mitsubishi El	553	530	553	548
Mitsubishi Est	1690	1630	1690	1670
Mitsubishi Hvy	799	770	799	805
Mitsubishi Mat	702	680	700	699
Mitsubishi Tr	1700	1650	1690	1690
Mitsui	986	971	984	997
Mitsui Fudosn	1400	1370	1400	1420
Mitsui Trust	710	693	693	711
Murata Mfg	4960	4860	4940	5070
NEC	1360	1320	1350	1430
Nikko Sec	2030	1970	1990	2090
Nikon	574	550	569	596
Nintendo	10000	9770	9900	10000
Nipp Express	794	751	794	761
Nippon Oil	542	513	539	524
Nippon Steel	306	297	306	300
Nissan Motor	779	710	778	739
NKK	193	182	192	184
Nomura Sec	1610	1580	1600	1630
NTT	11300b	10800b	11300b	11200b
NTT Data	5350b	5170b	5350b	5380b
Oji Paper	610	599	610	603
Osaka Gas	276	267	276	270
Ricoh	1640	1580	1630	1650
Rohm	12300	12300	12300	12800
Sakura Bk	740	710	710	733
Sankyo	3690	3600	3660	3770
Sanwa Bank	1510	1490	1500	1520
Sanyo Elec	430	417	430	432
Secom	8570	8180	8570	8250
Seibu Rwy	5250	5100	5250	5210
Sekisui Chem	1020	991	1020	1010
Sekisui House	1150	1120	1140	1160
Seven-Eleven	8670	8360	8620	8390
Sharp	1210	1180	1210	1240
Shikoku El Pwr	1950	1930	1950	1940
Shimizu	640	610	633	624
Shin-etsu Ch	3120	3060	3080	3150
Shiseido	1970	1920	1970	1970
Shizuoka Bk	1250	1210	1250	1250
Softbank	4900	4600	4900	4850
Sony	10500	10200	10500	10800
Sumitomo	1000	976	1000	998
Sumitomo Bk	1780	1750	1780	1800
Sumit Chem	472	454	472	468
Sumitomo Elec	1830	1790	1820	1860
Sumit Metal	280	278	280	285
Sumit Trust	1190	1140	1170	1160
Taisho Pharm	3000	2890	2950	3030
Takeda Chem	3240	3130	3210	3260
TDK	9350	9130	9260	9500
Tohoku El Pwr	1980	1960	1960	1960
Tokai Bank	1050	1030	1050	1050
Tokio Marine	1380	1310	1380	1360
Tokyo El Pwr	2300	2250	2300	2260
Tokyo Electron	6580	6440	6550	6740
Tokyo Gas	290	281	290	287
Tokyu Corp.	637	615	635	625
Tonen	1120	1100	1110	1120
Toppan Print	1770	1720	1730	1790
Toray Ind	804	792	800	808
Toshiba	673	665	666	679
Tostem	2560	2470	2510	2520
Toyo Trust	990	960	980	962
Toyota Motor	3170	3060	3150	3170
Yamanouchi	2920	2850	2880	2920

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6616.35 Previous: 6632.95

	High	Low	Close	Prev.
Abitibi Cons.	24¾	24¼	24.40	24¾
Alberta Energy	31.05	30¼	30¾	30.85
Alcan Alum	49¼	48.80	48.95	49.20
Anderson Expl	17.45	17.35	17.40	17.40
Bk Montreal	53.20	52.85	53	53.35
Bk Nova Scotia	60.15	59.60	60	60.15
Barrick Gold	32.05	31½	31.65	31.90
BCE	39.55	38.90	39.45	39¼
BC Telecomm	33.60	33.40	33.60	33.60
Biochem Pharm	36.15	36.15	36.15	37.05
Bombardier B	27	26.60	27	26.80
Cameco	48.65	47.70	48.10	48¾
CIBC	36.45	35.70	36	36.15
Cdn Natl Rail	69	69	69	69½
Cdn Nat Res	36	35¼	35.70	35.95
Cdn Occid Pet	34¾	34.45	34.65	34.70
Cdn Pacific	40.80	40.30	40.80	40.70
Cominco	36.80	36	36	36.90
Dofasco	28.15	27.90	28.05	28.05
Domtar	11.55	11½	11½	11.60
Donohue A	31½	31¼	31.40	31¼
Du Pont Cda A	33	32.55	32.55	32.55
EdperBrascan	23¾	23.40	23.45	23.65
EuroNev Mng	21.10	20.60	20.70	21.20
Fairfax Finl	387	385	387	383
Falconbridge	26.15	25¾	25.85	26.20
Fletcher Chall A	23¼	23¼	23¼	23¼
Franco Nevada	33	32.70	32.95	33
Gulf Cda Res	11.65	11.20	11.40	11.35
Imperial Oil	76.90	76.55	76.65	76.95
Inco	38.10	37¾	37.80	37.90
IPL Energy	49.70	49½	49.70	49.60
Laidlaw B	20½	20.20	20.30	20.40
Loewen Group	44.35	43.95	44	44½
Macmill Bldl	17.45	17.30	17.35	17.30
Magna Intl A	92¼	91.45	92.20	91¾
Methanex	11.85	11½	11.60	11.85
Moore	28	27¾	27.85	28
Newbridge Net	63.95	62.80	63.40	63¾
Noranda Inc	27.70	27¼	27.30	27.60
Norcen Energy	33½	33.15	33¼	33¼
Nthern Telecom	138½	136.80	137.85	138¼
Nova	11.85	11.70	11.80	11.70
Onex	31¼	31½	31½	31¼
Pancdn Petlm	26.10	25½	25.80	26.10
Petro Cda	24½	24.10	24.20	24.65
Placer Dome	23½	23.20	23.20	23.40
Poco Petlm	13½	13.35	13.45	13.35
Potash Sask	101.80	100½	101.80	101
Renaissance	35.95	35¼	35.90	35.30
Rio Algom	32¼	32	32.05	32¼
Rogers Cantel B	27.90	27¼	27¼	27¼
Seagram Co	49.55	48.40	48½	49.15
Shell Cda A	22½	22	22.40	22
Suncor	43.95	43	43.65	43.85
Talisman Eny	45.60	45.20	45.55	45.30
Teck B	27.10	26.10	26.20	26.70
Teleglobe	45.65	44½	44.90	45¼
Telus	27.60	27.35	27.45	27.40
Thomson	32¼	31.80	31.90	32.05
TorDom Bank	42¼	41.85	42.20	42.10
Transalta	17.40	17¼	17.30	17.30
TransCda Pipe	26	25.80	26	25.95
Trimark Finl	64.45	64	64¼	64.35
Trizec Hahn	31.40	31.10	31¼	31.65
TVX Gold	7.40	7.20	7.20	7.20
Westcoast Eny	26½	26¼	26.30	26.20
Weston	95	94	94	98

Vienna
ATX index: 1335.90 Previous: 1353.88

	High	Low	Close	Prev.
Boehler-Uddeh	1001	986	994	1005.50
Creditanst Pfd	632.50	615	619.90	642.65
EA-Generali	3050	2940.10	2985	3000.05
EVN	1533.60	1501	1515	1535
Flughafen Wien	495	482	490	495
OMV	1700	1660	1674	1705.50
Oest Elektriz	863.90	861	861.80	865.60
VA Stahl	539	524.65	538	545
VA Tech	2339.90	2310.10	2324.50	2348
Wienerberg Bau	2510	2452	2460	2490

Wellington
NZSE-40 index: 2456.21 Previous: 2487.89

	High	Low	Close	Prev.
Air N Zeald B	4.32	4.23	4.23	4.35
Brierly Invt	1.38	1.34	1.34	1.37
Carter Holt ord	3.34	3.24	3.24	3.35
Fletch Ch Bldg	4.40	4.35	4.38	4.42
Fletch Ch Eny	5.60	5.50	5.52	5.65
Fletch Ch Forst	1.85	1.83	1.84	1.85
Fletch Ch Paper	3.24	3.15	3.16	3.27
Lion Nathan	3.99	3.94	3.95	4
Telecom NZ	7.77	7.70	7.72	7.73
Wilson Horton	11.80	11.80	11.80	11.80

Zurich
SPI index: 3378.83 Previous: 3385.53

	High	Low	Close	Prev.
ABB B	2214	2172	2193	2220
Adecco B	515	503	507	522
Alusuisse R	1305	1270	1280	1300
Ares-Serono B	2337	2290	2320	2337
Atel R	842	842	842	842
Baer Hdg B	2124	2100	2100	2125
Baloise Hdg R	3900	3800	3870	3910
BK Vision	1036	1020	1030	1040
Ciba Spec Chem	130.50	127.25	128.50	128.50
Clariant R	987	963	972	986
Crd Suisse Gp R	181	177	178.75	180
Elektrowatt B	537	536	537	536
Ems-Chemie	6810	6725	6810	6770
ESEC Hdg	4350	4290	4300	4300
Holderbank B	1248	1229	1245	1240
Liechtenst LB B	580	569	580	575
Nestle R	1730	1706	1730	1733
Novartis R	2142	2057	2108	2079
Oerlikon Bueh R	175.50	167	172	167.25
Pargesa Hld B	1750	1720	1750	1750
PharmVisn B	866	840	848	855
Richemont A	2000	2000	2000	2050
Pirelli PC	324.50	315	320	320
Roche Hdg PC	12600	12390	12550	12600
SBC R	371	358	358.50	364.50
Schindler PC	1880	1835	1880	1900
SGS B	2855	2630	2690	2690
SMH B	854	830	831	845
Sulzer R	1043	1005	1043	1034
Swiss Reins R	1976	1932	1976	1967
SAir Group R	1768	1720	1763	1773
UBS B	1485	1453	1475	1470
Winterthur R	1310	1290	1290	1291
Zurich Assur R	550	540	540	554

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	167.26	-3.17	-1.86	+12.15
Regional Indexes				
Asia/Pacific	119.20	-3.61	-2.94	-3.43
Europe	177.76	-2.12	-1.18	+10.27
N. America	199.73	-2.17	-1.07	+23.36
S. America	154.70	-10.41	-6.30	+35.19
Industrial Indexes				
Capital goods	216.42	-1.83	-0.84	+28.62
Consumer goods	183.48	-1.97	-1.06	+13.66
Energy	192.21	-4.26	-2.17	+12.59
Finance	125.58	-2.94	-2.29	+7.83
Miscellaneous	172.09	-6.62	-3.70	+6.37
Raw Materials	179.61	-4.53	-2.46	+2.41
Service	156.77	-4.11	-2.55	+14.16
Utilities	156.72	-5.66	-3.49	+9.24

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

NASDAQ

Friday's 4 P.M.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.

The Associated Press.

NYSE

Friday's 4 P.M. Close

(Continued)

Japan Dat
Industrial Chemical
Kia Group
To Go Bank
Analysts
GENERAL
THE INTERNATIONAL
Starts
on Page
BELGRAVIA
ORCHIDS
0171 589 5227
ATLANTIC
Escorts & G...

هكذا من الأصل

Japan Data Show Stagnation

Industrial Output Lags, and Housing Starts Drop 28%

Compiled by Our Staff From Dispatches

TOKYO — A batch of new economic reports, including industrial production and housing starts data, indicated Friday that Japan's economy has fallen into a stagnation that could last the rest of the year, analysts said.

Industrial output data for July rose 1.1 percent from a month earlier, a figure largely in line with predictions. But the government lowered its forecast for the July-September period to show it expected no growth from the previous quarter and to reflect that output was no longer gradually increasing.

"The prolonged stagnation of the recovery is now fixed," said Takashi Kiuchi, chief economist at LTCB Research Institute.

A Trade Ministry official said the fall-off in consumer spending after the national sales tax was raised in April was still affecting production and that the number of sectors with excess inventories was increasing.

"The economy is pretty weak," said Jason James, strategist at HSBC James Capel. "I think the outlook for production is going to be pretty weak throughout the rest of this year and that inventory adjustments may even drag on into next year."

At the same time, the government reported housing starts in July fell 28 percent to 113,495 units from a year earlier, a larger-than-expected drop and especially dramatic following the declines of around 10 percent in the previous three months.

Trade Minister Shinji Sato was quoted by the Jiji news agency as expressing "vague anxiety" over the economy, saying currency rates were unstable and there were differences in economic performance between regions and firms of different sizes.

But the deputy minister of the Economic Planning Agency, Shimpei Nukaya, said the slowdown in the recovery was within expectations. Eichiro Kinoshita, Bank of Japan executive director, said it was too early to judge whether the recovery trend had changed due to sluggish consumption.

Concerns over the recovery have dominated financial markets after Eisuke Sakakibara, a key Finance Ministry official, was quoted as saying he was more concerned about the economy than he had been two months earlier.

"If that is what Sakakibara is willing to say on the record," Jane Berryman of Technical Data said, "you have to ask yourself what is really being said privately. I think there are some actually very pronounced private worries in about the way the economy is performing."

Tokyo stocks finished Friday at a four-month low, with the benchmark Nikkei 225 index briefly falling below the key 18,000 mark before ending at 18,229.42.

Meanwhile, the yield on cash bond prices hit a fresh low of 1.985 percent. Bond yields have been setting record lows this week on spreading worries over the economic outlook, sliding below 2 percent on Tuesday for the first time ever.

Providing only a minor salve to the rash of pessimistic news was a slight fall in the unemployment rate, which was 3.4 percent in July against 3.5 percent in June, as dismissals declined and service and construction companies added workers, the government said.

While the jobless rate was lower than economists forecast, fewer positions were created by manufacturers, retailers and transportation companies, reflecting a slowdown in consumer spending.

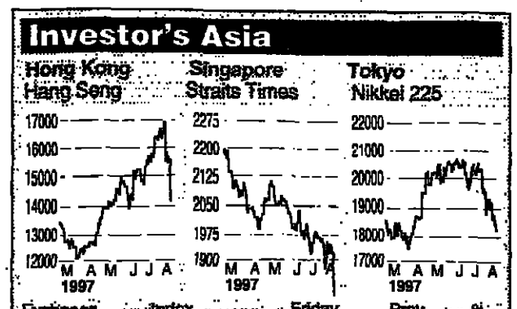
The 2-percentage-point increase in the national sales tax on April 1 has stunted spending on cars, electronics and homes, forcing companies to retrench.

The Labor Ministry said the number of jobs offered to each applicant, a key measure of the labor market, remained at 0.74 for the second month, in line with economists' forecasts. The so-called jobs-to-applicant ratio is at its highest since last October. *(Reuters, AP, Bloomberg)*

Kemal Jufri/Agence France-Presse

MOVING TO HARD ASSETS — Customers bargaining in a Jakarta gold shop Friday as the rupiah dropped further.

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	14,135.25	14,876.10	-4.98
Singapore	Straits Times	1,805.64	1,846.62	-2.22
Sydney	All Ordinaries	2,593.00	2,631.30	-1.46
Tokyo	Nikkei 225	18,229.42	18,451.45	-1.20
Kuala Lumpur	Composite	804.40	812.18	-0.96
Bangkok	SET	502.23	511.76	-1.86
Seoul	Composite Index	704.27	716.86	-1.76
Taipei	Stock Market Index	Closed	9,627.49	...
Manila	PSE	2,021.52	2,071.97	-2.43
Jakarta	Composite Index	493.96	530.37	-6.87
Wellington	NZSE-40	2,456.21	2,487.88	-1.27
Bombay	Sensitive Index	3,876.08	3,963.15	-2.20

Source: Telekurs International Herald Tribune

Very briefly:

• **Seiyu Ltd.**, a Japanese retailer, will take an estimated 3.1 billion yen ($26.1 million) one-time loss in its first half after closing five stores as part of a restructuring program.

• **Toshiba Corp.** will close **International Video Products Ltd.**, a Singapore joint venture with France's **Thomson Multimedia Asia Ltd.** that produces videocassette recorders. Instead, the Japanese company will increase VCR production in China.

• **Indonesia** will grant tax exemptions to six major companies, including the publicly traded polyester maker **PT Polysindo Eka Perkasa**, its **PT Texmaco Perkasa** engineering unit and **PT Kiani Kertas**, a newly established pulp and paper giant controlled by Mohammad (Bob) Hasan.

• **Amcor Ltd.**, an Australian paper and packaging maker, sold two loss-making assets — its **McKinley** paper mill in New Mexico and **Holfelder Group**, a corrugated cardboard box maker in Germany — as part of plans to "clear the decks" and increase profit. The company posted a loss of 80.1 million dollars ($59.2 million) in the year ended June, compared with a 338.8 million dollar profit in the previous year.

• **Bank of Thailand** Governor Chaiyawat Wibulswasdi said he would meet with creditors of Thailand's ailing financial institutions in Singapore and Hong Kong next month to discuss the extension and roll-over of loans to the sector.

• **South Korea's** Ministry of Finance said it would raise the limit on foreign stock ownership in **Pohang Iron & Steel Co.** and **Korea Electric Power Corp.**, to 21 percent from 18 percent, in order to bolster the sagging stock market.

• **Japan** and **China** agreed to continue bilateral talks early next week in Beijing on China's bid to join the World Trade Organization, having failed to reach an agreement on liberalization of Chinese trade practices in three days of talks in Tokyo. *Bloomberg, AFP, Bridge News, Reuters*

Kia Group Likely To Go Bankrupt, Analysts Assert

Agence France-Presse

SEOUL — South Korea's ailing Kia Group is likely to go bankrupt when its grace period for loan repayment expires in a month, analysts said Friday.

The Yonhap news agency quoted an unidentified Finance and Economy Ministry official as saying that there was little possibility of creditors' extending the grace period beyond the expiration date of Sept. 29.

The official also denounced Kia Group's head, Kim Sun Hong, for making the situation more complicated by refusing to step down, and its labor union for opposing a drastic downsizing, Yonhap said.

An analyst, who asked not to be named, said, "The government wants to kick out the Kia management and hand Kia over to Samsung."

While Samsung Group has denied it, the conglomerate has been dogged by allegations that it was lobbying the government to take over Kia Motors.

Should this scenario be played out, the Kia management would resign, and Kia Motors would be immediately placed under court receivership for a few months, he said.

"The creditor banks would then find a ready buyer — Samsung," the analyst said.

As Prices Drop, MIM Net Falls on Fewer Gains

Bloomberg News

BRISBANE, Australia — MIM Holdings Ltd., Australia's largest base metals mining company, said Friday that second-half net profit fell 34 percent on sharply lower one-time gains, weaker commodities prices and reduced copper sales.

The profit of 73.5 million Australia dollars ($54.3 million) for the six months ended June included a one-time gain of 31.4 million dollars. The 111.7 million dollars second-half net profit last year included a one-time gain of 92 million dollars.

Excluding one-time items, after-tax profit more than doubled to 42.1 million dollars in the second half.

This was above analysts' highest expectation of 37.9 million dollars, and nearly double the average prediction of 16 analysts surveyed by the Estimate Directory.

"It has been a good second half," Chief Executive Nick Stump said. "We're seeing cost improvements right through our operations."

Mr. Stump forecast continued cost reductions in the current year.

"We're looking for a satisfactory half and full year, one that's improved on this year," he said.

The one-time gain was mainly the result of a restructuring of MIM's interest in the Newlands-Collinsville-Abbot Point coal project.

Full-year net profit fell 64 percent to 61.5 million dollars, with a one-time gain of 29.2 million. Sales fell 16.7 percent to 2.15 billion dollars.

Mr. Stump said the lower Australian dollar protected the company from falling commodity prices in the second half. He said the outlook for zinc and copper, the two key metals it produces, is mixed.

■ Charge Lowers Telstra Net

Telstra Corp. posted a drop in annual profits after accounting for a huge one-time charge before its privatization later this year, news agencies reported from Sydney.

The telecommunications giant said net profit dropped 30 percent, to 1.62 billion Australian dollars, in the year to June, after accounting for a 1.73 billion dollar write-off.

Sales grew 5 percent, to 15.436 billion dollars.

Telstra said the results were in line with its strategy to continue to increase revenue while improving productivity and reducing the growth in its cost base.

The one-time charge was made up of redundancy costs, a charge on broadband network rationalization, asset writedowns and a provision for a loss on its Jindalee radar project.

The profit is Telstra's last as a wholly government-owned company. Canberra plans to sell one-third of Telstra by the end of November in an initial public offering expected to raise about 10 billion dollars.

It is also the last earnings result Telstra will announce under old government laws restricting competition in the telecommunications industry.

Besides its telephone interests, Telstra also owns half of Foxtel, a pay television operator, with Rupert Murdoch's News Corp. *(AFP, Bloomberg)*

India Rebuffs Demands For Maruti Chief to Quit

Agence France-Presse

NEW DELHI — Industry Minister Murasoli Maran said Friday that India would not be pressured by Suzuki Motor Corp. of Japan over the chief executive of the country's largest joint-venture carmaker, in which it has a 50 percent stake.

The feud is the latest between India and Suzuki over the 12-year-old Maruti Udyog Ltd. venture. Suzuki has rejected New Delhi's nomination of Ravela Bhaskarudu to replace Chairman R.C. Bhargava.

Singapore Land Development Fees Rise

Bloomberg News

SINGAPORE — The government announced Friday that it had increased development charges on residential land by an average of 41 percent, in a potential blow to hard-pressed Singapore developers.

The government charges real estate developers a cost per square meter of land depending on how much the developer plans to increase the usable floor space of a particular parcel. The changes are made annually, taking current property prices into account.

"This will add to the cost of land and the cost of development," said Leong Chi Meng, a real estate analyst at Vickers Ballas Investment Research Pte.

During the past five years, the effect of rising development charges on real estate companies and their projects has been muted by rising home and office prices.

"But now that we're in a period of falling prices, this could have a more significant impact," Mr. Leong said.

The new rates take effect Sept. 1, the Urban Redevelopment Authority said.

Development charges for residential property range from 800 dollars ($530.50) per square meter to 4,700 dollars.

Charges for commercial land will be increased by an average 35 percent to a range of 1,000 dollars a square meter to 5,200 dollars.

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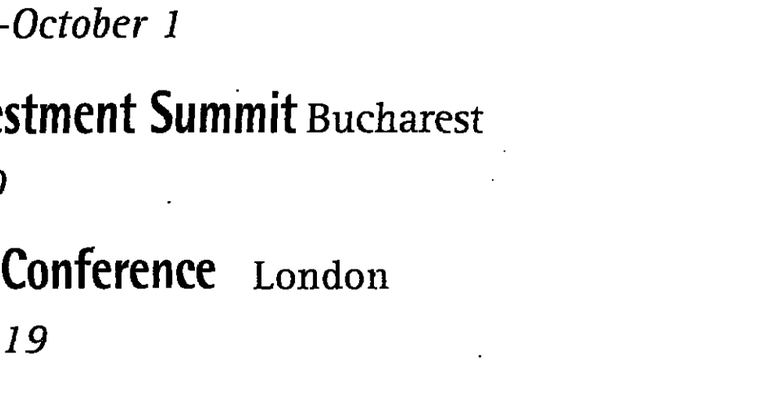

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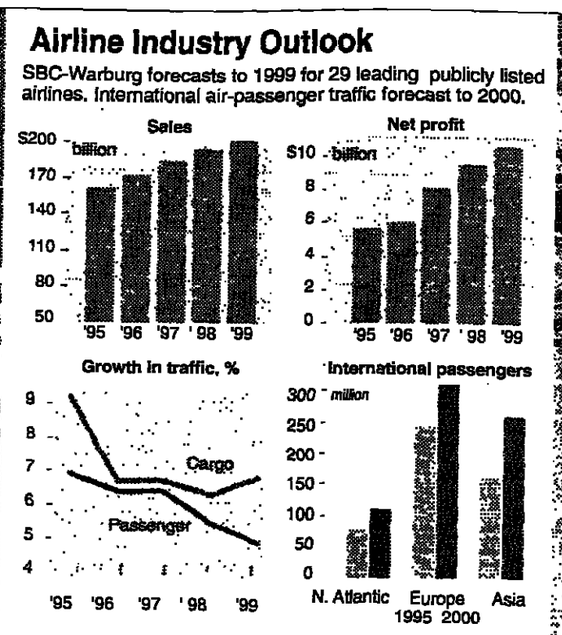

The Ride on Airline Stocks May Soon Require Seat Belts

By Conrad de Aenlle

Anyone who gazes at a jet taking off and wonders how they get those things to fly might reasonably ask the same question about the companies that own them. Fares keep shrinking, costs are creeping higher, new carriers offering discounted tickets are always entering the market, yet business is booming.

The world's airlines earned about $14 billion in total in 1995 and 1996, an excellent recovery from the early part of the decade, when they lost about $20 billion.

The return to profitability has come despite continual erosion in yields — the revenue generated for each traveler flying a unit of distance. The lower yields have been more than compensated for by greater numbers of passengers, boosting total revenue. At the same time, airlines have been able to reduce costs even faster than yields have fallen.

But while the companies themselves are buoyant, their stocks are having trouble staying airborne. Shares of American carriers have doubled since late 1994, when their financial troubles dissipated, but that came after they lost 20 percent of their value in the first four years of the decade. Furthermore, the market's gain over the last seven years has been double that of the airlines.

Elsewhere, the picture is mixed. European carriers have climbed, thanks largely to the rise in the dollar. That boosts the value of their international revenue, although for dollar-based investors it lowers share values.

Asian airlines' stocks have done poorly. The flag carriers of Malaysia, Korea and Thailand have been losers through most of the 1990s. Even Cathay Pacific Airways in bubbly Hong Kong has fallen over the last five years. The best of the lot is Singapore Airlines, which has risen steadily, but along a very gentle slope.

The weak share performance reflects skepticism that low costs are here to stay. During the last recession, managements drove hard bargains with employees, extracting concessions to forgo pay raises or take cuts with the promise that their loyalty would be rewarded in better times. The better times are here and employees want their cut.

"Labor is being very feisty now," said Kevin Murphy, an airline analyst for Morgan Stanley, Dean Witter, Discover & Co. "They want more than inflation would dictate."

The cabin crews at British Airways have been especially feisty. The carrier, regarded as one of the industry's best, estimated that their three-day walkout earlier this summer would reduce earnings by £125 million ($202.3 million), more than even the most pessimistic pundits had forecast. A recent 5 percent fall in its shares on the day BA announced a small decline in first-half earnings marked the culmination of a 20 percent drop since the stock peaked in May.

A strike by pilots at American Airlines was averted only after intervention by President Bill Clinton, but higher wages are certainly coming at large American carriers.

Much of the drag on airline stocks is due not to the effect that such disputes, or any other factor, have on the companies' fortunes, but to the fact that for analysts and professional investors, those fortunes are chronically hard to gauge. Pricing and capacity fluctuate with the economic cycle, yet most flights take off whether full or empty. The result is the sort of swing in profitability that has been seen in the last few years.

"The structural problem of the industry is that it has a high fixed-cost component," said David Lee, an analyst at the fund manager T. Rowe Price. "There's so much leverage; it's very rare that they hit earnings estimates." Trading in airline stocks "is typically a game dominated by momentum investors as opposed to longer-term buy-and-hold investors. They're volatile. People buy them with the thought of selling them."

In such a volatile industry, it is no surprise that opinion is polarized, particularly concerning the Americans. Goldman, Sachs & Co. concedes that valuations are cheap, but with good reason. Congress is likely to hit the industry for $1 billion more in taxes than had been expected, its analysts forecast.

"Until the tax issues are resolved and reflected in estimates," they counsel, "we suggest that airline investors take a less aggressive posture." They reckon the new tax will cut 1998 earnings by 10 percent across the industry. They recommend two companies, Delta Air Lines and Continental Airlines, which they say will increase their earnings sufficiently despite the tax hike.

Mr. Murphy at Morgan Stanley is more hopeful. The tame economy, with persistently low inflation and interest rates, makes U.S. airlines "particularly good values," he said. His favorites are AMR Corp., American Airlines' parent; Federal Express and Comair Holdings, a regional carrier.

One thing the industry has going for it, in the opinion of Marc Pinto, a portfolio manager at Janus Capital Corp., is a "benign pricing environment driven by each carrier's desire to exploit its niche market and not cross over into their competitors' strongholds."

Janus is one of the three largest shareholders in UAL Corp., the parent of United Airlines. Mr. Pinto likes its route network, which extends from its hub in Chicago to the American West and across the Pacific.

Other American carriers he recommends are Delta, Alaska Air Group and Comair. Elsewhere, he prefers KLM Royal Dutch Airlines and Lufthansa of Germany.

Guy Kekwick of Goldman, Sachs also likes KLM, whose stock, he says, is priced cheaper than others in Europe. His opinion of the European industry overall, however, is poor.

"The economic environment in Europe for the airlines over the last three years, while improving, has not been inspiring," he said. Neither is the outlook for the next five years. Demand is expected to grow 6.6 percent annually, compared with 7.1 percent globally.

European carriers are subsidized and heavily regulated, keeping ticket prices steep, but they still have trouble making money. Costs are high and passenger demand is falling. And while discounters in the U.S. market have made little impression because the big carriers are matching their fares, they offer a sterner challenge in Europe.

Morgan Stanley is again more optimistic. Its European airline analysts expect the stocks of Lufthansa and KLM to outperform their home markets. The same goes for British Airways; the bad news from the strike is fully discounted in the share price, they say.

In Asia, the bank has "outperform" ratings on Malaysia Airlines and Cathay Pacific and is neutral on Thai Airways International. All Nippon Airways and Japan Airlines. The Japanese carriers have added capacity at a high rate, despite the weak domestic and regional economies, although the rate is slowing.

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Airport Stocks Offered in Europe May Allow a Safer Parking Place

By Digby Larner

On July 24, the day Rome airport was launched on the Italian stock exchange, its price soared so steeply that trading was stalled temporarily by local regulators.

From an issue price of 11,000 lire ($6.28), it rose 32 percent to close on Friday at 14,536 lire. The reason it fared so well has more to do with the investment strength of airports than the fact that it was priced at a discount, said analysts.

In fact, Aeroporti di Roma SpA, was issued at the top end of its expected range and was far from being a privatization give-away. Despite this, the portion of the issue reserved for private investors was oversubscribed 10 times, while institutions were even more anxious to get a piece of the action, oversubscribing 21 times.

Airports are generally attractive to investors, largely thanks to steady growth in air-passenger transport. According to figures from the Airports Council International, 6 percent more people flew in 1996 than in 1995. The Asia-Pacific region grew fastest, at a rate of 6.9 percent, with North America following at 6.3 percent and Europe at 6.2 percent.

Although this growth is not recession-proof, airports have proven to be resistant to economic lows.

Wyn Ellis, a transportation analyst with SBC-Warburg in London, said that airlines had largely succeeded in stimulating air traffic. He said that 1991 was the only year this decade in which the number of passengers declined.

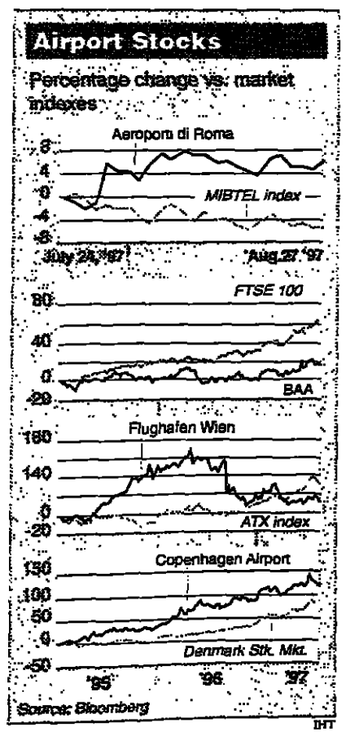
"Being natural monopolies with high barriers to entry and serving a growth market, airports are high-quality investments," he said. "The earnings stream tends to be reliable and predictable, and earnings have proved remarkably resilient during periods of economic adversity."

The only apparent downside is that investors have only a few listed airports to choose from. Apart from Aeroporti di Roma, there are three others: BAA PLC, the British airport authority that manages London's Heathrow and Gatwick airports; Flughafen Wien AG in Vienna; and Copenhagen Airport in Denmark. Two Australian airports were sold recently but were not offered publicly.

Future candidates for at least partial privatization include the airports in Stuttgart, Dusseldorf, Milan and Amsterdam. "A lot have been thinking about it since BAA privatized, but there's unlikely to be a sudden rush of flotations, at least in the near future," said Matthew Stainer, a transportation analyst with Morgan Stanley Group (Europe) PLC in London.

But even though airport stocks offer good returns with a lower-than-average risk, airport investment is still potentially hazardous. In particular, it is difficult to arrive at a fair share-price valuation due to the heavy investment cycle of airports.

Airports often ebb and flow between undercapacity and overcapacity. A constant expansion program aimed at encompassing all expected passenger growth would lead airports to continually run excess capacity and this would mean that a portion of capital investment would provide no return.



Mr. Ellis's favored airport authority is BAA. He expected shares to rebound close to their recent high of 614 pence ($9.94) from a current 554.50 pence. His optimism is based on the expected benefits of the alliance between British Airways PLC and American Airlines. The planned sharing of air routes and passengers will help make fares more competitive and increase the number of passengers passing through BAA airports, he said.

Passenger traffic is likely to get a further boost from the U.S. carriers Delta Air Lines and United, which are now battling to acquire additional slots at Heathrow in order to better compete with the combined forces of British Airways and American.

BAA has also overcome fears that it would be hit by a large one-time tax bill levied against privatized businesses by Britain's recently elected Labour government. Mr. Ellis had calculated that a tax based on BAA's total returns since privatization might have saddled it with a tax bill of £271 million. If that were the case, he estimated that BAA would have to cut its earnings estimates for this year by 6.7 percent.

But Britain's Chancellor of the exchequer, Gordon Brown, chose not to penalize privatized businesses so severely. Although the exact cost to BAA must still be settled, the revised range is between £60 million and £100 million, analysts said.

As the only fully privatized airport, BAA has also been better able to invest in airport infrastructure than those airports in which the state is still a significant investor. As a result, BAA has invested in expansion of retailing and restaurant services and has plans to expand its business in airports to foreign airports.

Mr. Stainer agreed that BAA is "interesting" but is he is less enthusiastic about the airport sector as a whole.

"The stock price performance of airport stocks has been much more subdued (than airlines), with Copenhagen and Vienna International underperforming their respective markets since the start of the year and BAA just managing to outperform the U.K. market," he said. Regarding BAA, he is unhappy that BAA paid over $660 million for the retailer Duty Free International. He believes the company will be unable to add the type of value it wants to the retailer.

In the case of Flughafen Wien AG, he recommended that investors watch out for any plans by the Austrian government to float the remaining state-owned portion of the business. Among the quoted airports, Vienna has enjoyed the fastest passenger growth in recent years and this has been won mostly from the expansion of its East European routes. Passenger traffic grew 7 percent in 1996 but growth is expected to fall back to 5 percent this year.

A major downside is that Vienna's geography makes its airport more vulnerable to competition than most other airports. Its proximity to Munich and Zurich plus worries about the future of Austrian Airlines, risk outweighing the airport's benefits. The share is currently trading at 485 schillings ($38.16), having fallen from a high of a little under 614 schillings earlier this year.

Copenhagen Airport's shares have also fallen back slightly, dropping from a peak of 780 kroner ($113.36) in July to its current level of 733.16 kroner. This is due partly to the impact on earnings of a heavy investment program aimed at turning Copenhagen into a North European hub. It is also enlarging its capacity as a terminal and developing rail and road connections with the city.

Charting a Course Without Magellan

JAMES GLASSMAN *ON INVESTING*

In a surprising move last week, Fidelity Investments announced that its Magellan mutual fund — which, with 4.3 million shareholders and $63 billion in assets, is the world's largest — won't be taking new customers when September ends.

Magellan, managed from 1977 to 1990 by Peter Lynch, one of the great all-time stock pickers, trailed the market averages from 1993 to 1996, then recovered this year with a new manager (it's returned 21.7 percent, precisely even with its peers), and cash has started to flow in once more. That's the problem.

Robert Pozen, the new president of Fidelity's mutual funds, told me he worried that "when September's numbers are out, we'll start getting $400 million or $500 million a month" in new money from investors impressed with Magellan's returns. That would mean manager Bob Stansky would be faced either with investing in stocks he really doesn't want to buy or with piling up cash. Since Mr. Stansky, unlike his predecessor Jeff Vinik, believes that a stock fund should be fully invested in stocks, neither alternative was palatable.

So you've got another month to buy Magellan before the window shuts. But don't rush. It's not such a terrific fund, anyway, and I've found some good alternatives.

Even if it stays at $63 billion, Magellan is too big to maneuver very well; the manager can't quickly buy a lot of stock in even a medium-sized company because the purchase will push up the price (as a fast exit will push it down). When Mr. Lynch ran Magellan, it was much smaller, and he could make large bets on companies like La Quinta Inns Inc., Taco Bell and Hanes, maker of L'Eggs hosiery, a famous discovery of Mr. Lynch's wife. In 1983, for instance, when Magellan whipped the Standard & Poor's 500 index by an incredible 16 percentage points, the fund had only $801 million in assets.

Mr. Pozen describes Magellan as a "broad-based, capital-appreciation, go-anywhere fund." It owns 463 stocks of various shapes and sizes, though mainly large. Mr. Stansky buys both growth (that is, fast-rising) and value (ignored and perhaps underpriced) companies. Top holdings are unsurprising; they include General Electric Co., Philip Morris Cos., Citicorp and Merck & Co.

There's a mystique about Magellan and, as Mr. Pozen says, "a lot of misunderstanding." Mr. Lynch was such a brilliant manager that he attracted investors who had never put a penny in a mutual fund and didn't quite know why they were doing it now — except that they had read it was going up.

So, when I asked Mr. Pozen what he would tell a customer who, after Oct. 1, might want to invest in Magellan but couldn't, he replied, "The first thing I would say is, 'What kind of fund are you looking for?' A lot of people who owned Magellan owned it because of the cachet. What some of them really wanted were dividends."

Dividends, alas, are not high on the list of Magellan's objectives. What its managers have wanted is stocks — any stocks — whose prices will rise within a year or so.

The best way to describe Magellan is as a "core holding" — with enough diversification to be the largest, or the only, stock fund in your portfolio. (Still, a prudent investor should have three or four other funds with narrower objectives, plus individual stocks.)

The purest alternatives to Magellan in the Fidelity stable, Mr. Pozen says, are Capital Appreciation and Contrafund. I've been a satisfied investor in Contra for many years.

Since 1992, Magellan has returned an annual average of 19.6 percent; Capital Appreciation, 18.9 percent; Contrafund, 21.5 percent. Among Mr. Pozen's other suggestions were Fidelity Fund (20.8 percent), a growth and income fund that has a little more stability from dividends, as well as Growth Company (20.9 percent), which buys riskier stocks and has changed managers lately.

Some of the best alternatives to Magellan can be found outside Fidelity. Gerard Breitner, who heads Excomp Asset Management Co. in New York, invests his clients' money exclusively in mutual funds. He doesn't use Magellan, for the obvious reason. "The problem," he says, "is that it's gotten too large. It's just become an index fund. It can't be nimble."

For investors looking for a large-cap fund with Magellan's profile, Mr. Breitner recommends T. Rowe Price Blue Chip Growth. "It's a super fund," he says, with only about $1 billion in assets. The only problem with Blue Chip is that it's just four years old, but co-managers Tom Broadus and Larry Puglia have long experience.

Mr. Breitner, however, urges investors to look beyond big stocks. "The opportunity is in small-caps," he says. "They haven't caught up." A small-cap fund as a core holding? It's not a bad idea — especially if the fund shies away from the riskier stocks.

Three such funds, says Mr. Breitner, are Neuberger & Berman Genesis, which has returned 20.8 percent annually on average over the past five years; Baron Asset, which has gained 19.8 percent this year, compared with just 12.6 percent for the average small-cap fund; and Third Avenue Value, headed by one of my favorite managers, Marty Whitman.

Sheldon Jacobs, editor of The No-Load Fund Investor recommends index funds, which mimic the performance of the market as a whole, or a particular segment. His preference right now is for index funds that are broader than the popular S&P, which appears overvalued.

My list of Magellan alternatives? It is a quirky trio of funds run by a single entrepreneur rather than a corporate family: Brandywine, which has beaten a majority of its peers for nine straight years; Torray, with an annual return since 1992 of 22.4 percent; and Yacktman, concentrated in relatively few stocks, low-risk and value-oriented.

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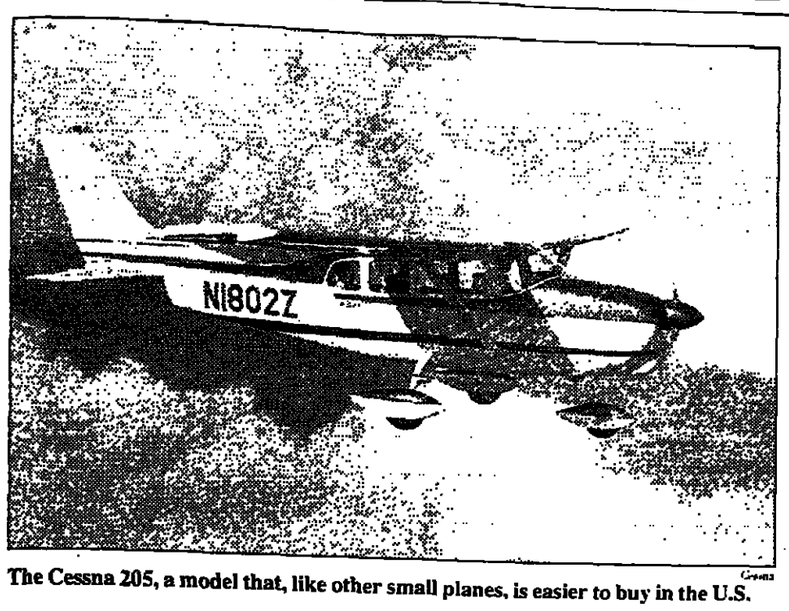

The Cessna 205, a model that, like other small planes, is easier to buy in the U.S.

Private Plane Owners Find Skies Friendliest in the U.S.

By Aline Sullivan

Taking to the skies on your own wings is surprisingly affordable, if you live in the United States. In many other countries, however, buying a private plane is becoming prohibitively expensive for all but the canniest pilots.

Private planes, whether new or used, can cost twice as much outside the United States and fuel and fees can widen that difference considerably. For example, an owned or rented four-seat Cessna 172 Skyhawk rents for about $65 an hour in the United States. In Germany, the same plane costs $200 an hour and in France a further $50 or so.

Not surprisingly, flying for business and pleasure is largely the province of Americans.

Almost 80 percent of private pilots are based in the United States, where there are approximately 185,000 registered general aviation planes and 640,000 pilots, according to the International Aircraft Owners and Pilots' Association in Frederick, Maryland.

That compares with about just 8,000 planes and 30,000 pilots in Britain and comparable numbers in France and Germany. In countries with even higher fuel costs, including the Netherlands, Belgium and Japan, independent flying is a privilege of only the very rich.

Warren Morningstar, spokesman for the Aircraft Owners and Pilots' Association, said Europeans in particular have cause for complaint. "In most countries, private flying is extraordinarily regulated and extremely expensive," he said. "That's partly because most general aviation aircraft are manufactured in the U.S., so there can be high import duties elsewhere. But insurance, fuel and all the fees associated with flying in Europe just cost much more."

But Martin Robinson at the Aircraft Owners and Pilots' Association in London predicts that there will soon be more U.S.-registered planes flying over Europe. Proposed changes in European Union, or EU, legislation are likely to increase the already high costs of general aviation in Europe, he said, encouraging owners to opt for American registrations.

"If I buy a plane in the U.S. and reregister it in Britain, I would have to strip it down to every nut and bolt and then comply with every EU and British regulation and tax regarding that model plane," said Mr. Robinson. "That process would push up the cost of a $40,000 plane to at least £40,000," which would be equivalent to $64,750.

He suggested registering the plane with a U.S. offshore company. "That way I could fly wherever I want in the world under U.S. regulations," said Mr. Robinson. "There are at least 3,000 private planes flying in Europe that way already and I am sure that their numbers are about to increase dramatically."

Mr. Morningstar agreed, saying that he had recently noticed in Europe a surprising number of "N" registration plates, which mark a U.S.-registered plane. "These were clearly not planes that are flying back and forth across the pond," he said.

This money-saving alternative is entirely above board, said the association spokesmen. The Bilateral Airworthiness Agreement allows airworthiness certificates issued by member countries to substitute for national certificates. The following countries have agreements with the United States: Australia, Austria, Belgium, Brazil, Britain, Canada, Denmark, Finland, France, Germany, Indonesia, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Poland, Romania, Singapore, South Africa, Spain, Sweden and Switzerland.

Of course, private pilots in the Pacific will obviously find transporting a small plane from the United States more expensive than those in Europe.

A different way to cut costs is to share ownership. Britain, along with many other countries, allows up to 20 owners per plane. Insurance and other costs rise only slightly with the number of owners, said Mr. Robinson. Just four owners can slash the hourly running cost of a four-seat Cessna 172 to about £16 from £60.

About 30 percent of private planes registered in Britain belong to two or more people.

Apart from the relative costs, pilots everywhere have the same considerations when buying a plane. The association recommends first analyzing your needs. Consider the typical flight loading, trip distance and conditions of flight, and then compare aircraft. Ask yourself if you really need all the fancy bells and whistles. If possible, rent the type of aircraft you are interested in to get a feel for how well it will meet your requirements, keeping in mind that the biggest expense of owning an aircraft is not always the initial purchase price.

Next, shop around. Trade publications, newspapers and airport bulletin boards are all worth checking out. Financing is most accessible for pilots in the United States, although it is possible to find banks everywhere with some knowledge about the subject. Interest rates can vary widely, as can insurance rates.

Little Airlines, at Last, Take Off in Europe

By Digby Larner

The deregulation of European air transport — completed with a remarkable lack of public relations savvy on April Fool's Day this year — has officially allowed small, independent carriers to challenge the dominance of big, state-backed airlines.

Restrictive practices that have historically protected the interests of state-owned carriers can now only be applied in exceptional cases within the European Union.

Instead, airlines based in any of the EU's 15 member states technically are free to fly between any of Europe's airports. For investors in airline shares, the newly competitive market offers a number of opportunities, say analysts.

Since 1993, when the deregulation process was begun, new entrants have been slow to take off, said Matthew Stainer, a transportation analyst with Morgan Stanley Group (Europe) PLC in London. "It is only since 1996 that we've seen the arrival of a few small airlines that hope to get a slice of the market," he said.

The new players best placed to profit from deregulation are those that opt for one of three possible strategies, he added. They can either offer a cut-price, no-frills service, mount a competitive challenge against airlines they feel operate inefficiently in a given market, or franchise their services to bigger players.

Those competing successfully on price include Ryanair of Ireland, Debonair and EasyJet in Britain and Italy's Air One, said Mr. Stainer. Virgin Express, although also competitive on pricing, is challenging the Belgian national carrier, Sabena SA, for dominance of its domestic hub. Ironically, Sabena and Virgin Express also work together in some areas. City Flyer operates a successful franchise for British Airways out of London's Gatwick airport, where City Flyer now has a strong presence.

Unfortunately, private investors are currently unable to tap into most of the up-and-coming small carriers. Only Debonair Holdings PLC and Ryanair Holdings PLC are publicly listed. However, analysts say other small airlines may be encouraged to go public sometime later following the recent success of these carriers.

Ryanair proved highly popular with investors after it was listed on the Nasdaq and Irish stock exchanges in May. In the two months that followed, its shares gained 82 percent. This month, however, they have fared less well.

From a high of 4 Irish punts ($5.89) at the end of July, Ryanair's share price dropped to 3.61 punts on Friday in the wake of the company's announcement last month that it would fail to meet its target of 30 percent earnings growth this year. Since the company is planning a larger fleet and a route expansion, some analysts believe Ryanair may become less interesting unless the airline can cut costs further.

Debonair, like Ryanair, hopes to exploit Europe's deregulated air routes in the same way that Southwest Airlines did in the United States. Unlike its competitors, however, its cut-price fares are pitched at business travelers, said Mr. Stainer. A little over a year old, Debonair was listed on London's pan-European Easdaq stock exchange last month. It has since climbed from £4.51 ($7.29) to a high of £7.11 earlier this month before falling back slightly this month to £6.40 on Friday.

Guy Kekwick, an analyst with Goldman, Sachs, said the Debonair strategy is pitched differently than that of Ryanair but still conforms broadly to the Southwest model. "These aren't businesses that are challenging established airlines head on," he said. "Instead they are stimulating a market that the big players were unable to access. They fly mostly from secondary airports, and all they promise to do is get you safely from one place to the other at the cheapest possible fare."

The continued potential of this niche market means that both Ryanair and Debonair still have good long-term investment potential, he said.

But he warned that deregulation will not necessarily turn current loss-making European routes into profit centers either for small or large airlines. European air routes will continue to be hampered by market distortions despite deregulation, he said. While the official ban on government subsidies for flag-carrying airlines has ended, he said much of the price support that once existed in the European market still gets through in various forms.

The biggest market winners among established airlines are likely to be those with European subsidiaries that achieve lower per-unit costs than their parent companies or big carriers that have cooperation agreements with cut-price carriers, he said.

Deregulation may have a more direct impact by allowing European carriers to create strategic alliances. By agreeing to share certain routes, airlines can profit from partnerships even where no equity interests exist.

"An example of this could be KLM, where Air UK and KLM Cityhopper fly all services between the Netherlands and Britain, with the exception of flights out of Heathrow," said Mr. Kekwick.

He favors KLM and British Airways. At KLM, although earnings are not expected to recover ahead of 1998, the possibility of it selling its stake in Northwest Airlines plus the appointment of a new chief executive officer have increased the upside potential of its share price, he said.

British Airways remains a market performer, largely because of its associations with American Airlines, said Mr. Kekwick.

Freedom to Churn Stocks?

U.S. Tax Law Will Help Mutual Funds to Hedge

By Carole Gould

NEW YORK — The new American tax law, signed by President Bill Clinton on Aug. 5, eliminated a longstanding rule that discouraged short-term trading by U.S. mutual funds. The change gives fund managers more freedom but may also increase the risks for shareholders.

"Excessive short-term trading probably will ultimately reduce returns," said John Markese, president of the American Association of Individual Investors in Chicago. Making frequent trades increases the expenses for funds, he noted.

Congress enacted the so-called short-short rule in 1939, when memories of the 1929 stock market crash were fresh in legislators' minds: they wanted to reduce the amount of commissions that stockbrokers earned from excessive trades, and they did so through the tax code.

Specifically, the rule required that a mutual fund derive less than 30 percent of its gross income from the sale of securities held less than three months. The law punished transgressors severely by eliminating the special tax status of mutual funds, which do not have to pay taxes themselves as long as they distribute virtually all their income and capital gains to their investors each year.

Critics of the rule argued that the financial markets had changed drastically since the law was written, particularly with the rise of derivative securities like futures and options in the last 15 years.

Some fund managers use options and futures contracts as a way to hedge risks in their portfolios; others use derivatives to try to enhance their performance.

But because of the short-short rule, many fund managers complained that they could not use the new financial instruments as they would like.

And fund companies have argued that the high costs of monitoring compliance with the rule have eaten into shareholder profits.

Now, funds will be better able to use derivatives to hedge their portfolios against losses. But hedging costs money — expenses that are borne by fund shareholders.

"The question is whether fund managers will be intelligent enough to balance the reduction of risk with the increase in cost," said David Mangefrida, a tax partner with the national tax office of Ernst & Young in Washington.

Another concern for investors is that the repeal of the short-short rule may encourage some managers to step up their short-term trading.

"Investors will need to be conscious of their funds' turnover ratios," said James Hillman, a tax partner with Coopers & Lybrand in New York.

High turnover ratios indicate heavy trading, which may add up to higher commissions paid by funds and higher taxes paid by investors.

Under the new tax law, short-term gains are taxed as ordinary income, at rates that can be as high as 39.6 percent, whereas gains from long-term investments are taxed at only 20 percent.

Then there is always the risk that managers will start trading derivatives to bolster sagging returns rather than to hedge against potential losses. As Mr. Mangefrida said, "There is a fuzzy line between what is hedging or speculating."

New York Times Service

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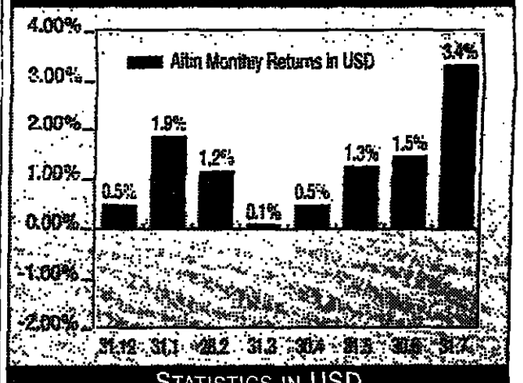

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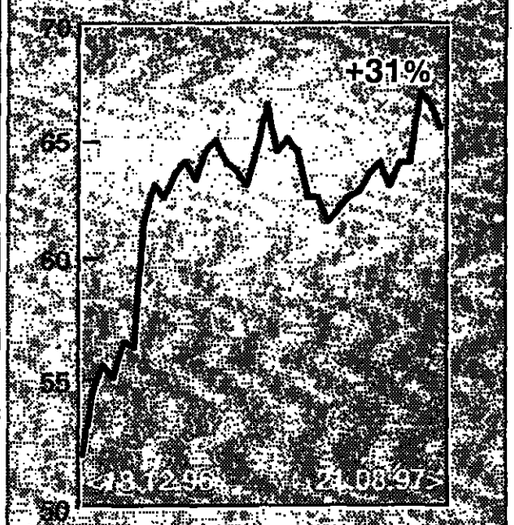

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Surest Bet of All: A Tombstone Fund

Can having a death wish make you money? The managers of the Pauze Tombstone Fund, a four-month old American index fund, think so. The fund buys only companies associated with the "death-care" industry, such as funeral homes, casket makers, and insurance companies that sell pre-paid funeral policies.

So far, the fund has attracted $3 million from investors. It has only nine holdings, and roughly half of its assets are in Service Corp. International, a company that has been snapping up mom-and-pop funeral homes around the United States, and more recently, in the United Kingdom. It will shortly add a tenth company, Rock of Ages, a monument maker about to go public.

The fund has a few caveats. Its performance is measured against the Pauze Tombstone Common Stock Index, created by none other than Mr. Pauze. Moreover, it socks investors with a 3.75 commission, plus steep annual expenses of 1.13 to 1.88 percent.

Tombstone shares are trading around $9.75, down from its offering price of $10 a share, but Mr. Jones said he was confident that investors would be well rewarded.

"We're on the ground floor of a growth industry," he said. "The death-care business is consolidating, and our top three holdings are consolidators that still own only about 15 percent of the U.S. industry, and are expanding overseas."

One thing is indisputable. The fund's chief portfolio manager, Philip Pauze, is uniquely qualified. His father was a casket maker, and he grew up in a house that was a converted funeral parlor.

For more information, call from outside the U.S. 281/444-6012. Within the U.S. 800-327-7170 *(IHT)*

Japan Investors Retreat to Bonds

Japanese institutional investors are set to increase investments in bonds and cash instruments next month while scaling back on stocks, a Reuters investment survey showed on Friday.

In the monthly Global Asset Allocation survey, which asked 16 Japan-based financial institutions in late August about their investment strategy for September, the average overall portfolio weighting for stocks dropped for the first time since May. The weighting for bonds and cash rose slightly.

"The current economic slowdown is likely to continue over a long period of time due to a lingering negative impact from the sales tax rise and an expected rise in health insurance fees," said Okasan Economic Research.

It said it had also appeared that the Bank of Japan had turned slightly bearish toward the economy, although the central bank still maintains that the economy is on a recovery track. Okasan forecast there would be no credit tightening before next year.

The survey found that investors plan to step up equities investments in the United States, Britain and other European countries and emerging markets.

Investors put the heaviest weighting — 42.64 percent — on the North American equity market, the highest level since the survey began in June 1994. The weighting for the Japanese stock market, meanwhile, fell 2.15 percentage points to 23.44 percent, the lowest since the February survey of 23.10 percent.

The weighting for the Asian equity markets showed a sixth consecutive month of decline.

The investors expect the Nikkei stock average to move between 17,000 points and 21,000 points in September.

In bond markets, investors plan to step up investment in the United States and Canada as well as in British and French markets.

Investors put the heaviest weighting, at 41.45 percent, in the U.S. bond market, the highest share since the start of the survey in June 1994. *(Reuters)*

SEC Cracks Down On 2 Vegas Funds

U.S. federal officials have seized two unregistered mutual funds that raised almost $8 million from hundreds of investors.

The Securities and Exchange Commission contends that the American Growth Fund I and Capital Growth Fund, both based in Las Vegas, Nevada, misused almost $2 million of the money they raised, paying excessive fees to the funds' managers and sales representatives, and investing in companies controlled by the managers, some of whom are contesting the charges.

A receiver appointed by a federal judge in Los Angeles will liquidate the funds, which are not related to larger funds with similar names.

Meanwhile, a sales contest run by the real American Growth Fund Inc. in 1995 may mean trouble for a broker. The SEC plans to conduct a hearing on whether he made unauthorized sales of the fund because he was trying to win a trip to Cancun, Mexico. *(NYT)*

Korea Sets Vehicle For Bond Investors

The South Korean Ministry of Finance and Economy will establish a $200 million fund, the Korea Asia Bond Fund, in Hong Kong, a ministry official said.

"The move follows the announcement by the government that it will open the domestic bond market to foreigners and we are working out details," said a ministry official. *(Bridge News)*

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WORLD ROUNDUP

Luck of the Draw

SOCCER Runner-up Juventus and semifinalist Manchester United, which finished first and second in the Champions Cup group last season, drew Friday in the same group for the second straight year. The teams will play in Group B, along with Rotterdam Feyenoord and FC Kosice of Slovakia.

Barcelona, PSV Eindhoven, Newcastle and Dynamo Kiev will play in a challenging Group C.

For complete listing of all European cups, see Scoreboard. (AP)

Harrington Takes Lead

GOLF Padraig Harrington of Ireland, seeking a Ryder Cup berth on the European team, enhanced his chances Friday by firing an 8-under-par 64 to lead at the halfway point of the BMW Open in Munich.

Harrington's total of 14-under 130 was one stroke better than the first-day's leader, Fabrice Tarnaud of France.

Harrington, who had nine birdies, was among several players who strengthened their Ryder Cup hopes Friday. But Sam Torrance of Scotland missed the cut and failed to automatically make the team for the first time in nine years.

"The dream is over," said Torrance, whose 6-under 66 could not make up for an opening 75.

Jose Maria Olazabal, who needs a top 20 finish to grab one of the 10 automatic berths on the European team, almost shot himself out of contention with a par 72. *(AP)*

Forego Is Dead at 27

HORSE RACING Forego, one of the great runners in racing history, fractured the long pastern bone in his right hind leg Wednesday and, following the consent of his breeder and owner, Martha Gerry, was given an injection that ended his life at age 27. He raced 57 times, won 34 times and was voted Horse of the Year three times. *(NYT)*

Atherton Stays On

CRICKET Despite his third Ashes loss in a row to Australia, Mike Atherton surprised his critics Friday by deciding to stay on as captain of England for the upcoming tour of the West Indies. The Lancashire player was widely expected to step down after the 3-2 loss and some poor personal batting performances during the summer. *(AP)*

Adam Butler/The Associated Press

Mike Atherton, announcing Friday he won't quit as captain.

Woodforde Overcomes Kafelnikov in 2d Round

Henman Loses to Ferreira in Straight Sets

Reuters

NEW YORK — The No. 3 seed, Yevgeni Kafelnikov was bounced from the U.S. Open in the second round by the Australian doubles star Mark Woodforde on Friday.

Kafelnikov became the highest seed to be ousted from the tournament, falling to the 43d-ranked left-hander in straight

U.S. OPEN TENNIS

sets, 6-3, 6-4, 7-6 (7-5), in two hours and 17 minutes in the day's opening match on the Arthur Ashe Stadium court.

"I think I just played a very smart match," said Woodforde, owner of 10 Grand Slam doubles titles and the tournament's defending doubles champion with compatriot Todd Woodbridge.

Monica Seles won her match Friday against Miriam Oremans of the Netherlands in straight sets, 6-1, 6-1.

In other men's singles matches, Tim Henman of Britain fell to Wayne Ferreira of South Africa, 6-3, 6-2, 6-4, and Hernan Gumy of Argentina beat Todd Woodbridge of Australia, 7-5, 6-4, 6-2

In Thursday's matches, Robin Finn of The New York Times reported:

The weather took a turn toward the Wimbledonesque at the U.S. Open. That development created a virtual washout of the day session and turned the Open's scheduling process into a madcap game of musical courts.

Even Pete Sampras, this Grand Slam tournament's defending champion, suffered through a relocation and demotion in order to restore order to the courts.

The grounds crews battled with the raindrops until 4 P.M., when a truncated program of matches was staged.

The Ashe Stadium's original daytime lineup featured three singles matches, including Sampras's, but because it was starting five hours late, the program was whittled to just a single singles match between 12th-seeded Mary Joe Fernandez and 47th-ranked Rita Grande.

Fernandez rallied for a 4-6, 6-2, 6-2, victory in one hour and 46 minutes.

"I didn't really get a chance to practice because it never really stopped raining," Fernandez said.

Sampras, who had expected to follow them, found himself rerouted to the Louis Armstrong Stadium for his second-round meeting with Patrick Baur, the 32-year-old, 338th-ranked qualifier.

Open officials moved Sampras because they couldn't risk having his match interfere with the night session at Ashe Stadium, featuring Martina Hingis.

Sampras, who has won four Open titles on the Louis Armstrong court and said he kind of missed it despite the grandeur of the new stadium, handled Baur in a 7-5, 6-4, 6-3 victory that took 99 minutes.

"I've won a lot of big matches on that court," said Sampras.

Hingis, his top-ranked counterpart, remained on track to collect a third Grand Slam title in 1997, disposing of 42d-ranked Denisa Chladkova, 6-1, 6-2. As is often the case, Hingis manipulated the ball, and her opponent, by remote control: She was the star, director, and producer of the short show.

Hingis's practice partner, Mirjana Lucic, the 15-year-old phenom who won the Open's junior title last year and won the first pro event she entered this spring, continued to make a ferocious debut in her first Grand Slam as a main-draw player.

Her victim Thursday night was Brie Rippner, the junior Wimbledon runner-up. Lucic dominated the Californian, 6-0, 6-1, and next takes on third-seeded Jana Novotna, who defeated Yayuk Basuki, 6-1, 6-2.

Ninth-seeded Gustavo Kuerten, the French Open champion from Brazil, won his match against Sjeng Schalken, 6-4, 6-4, 6-2.

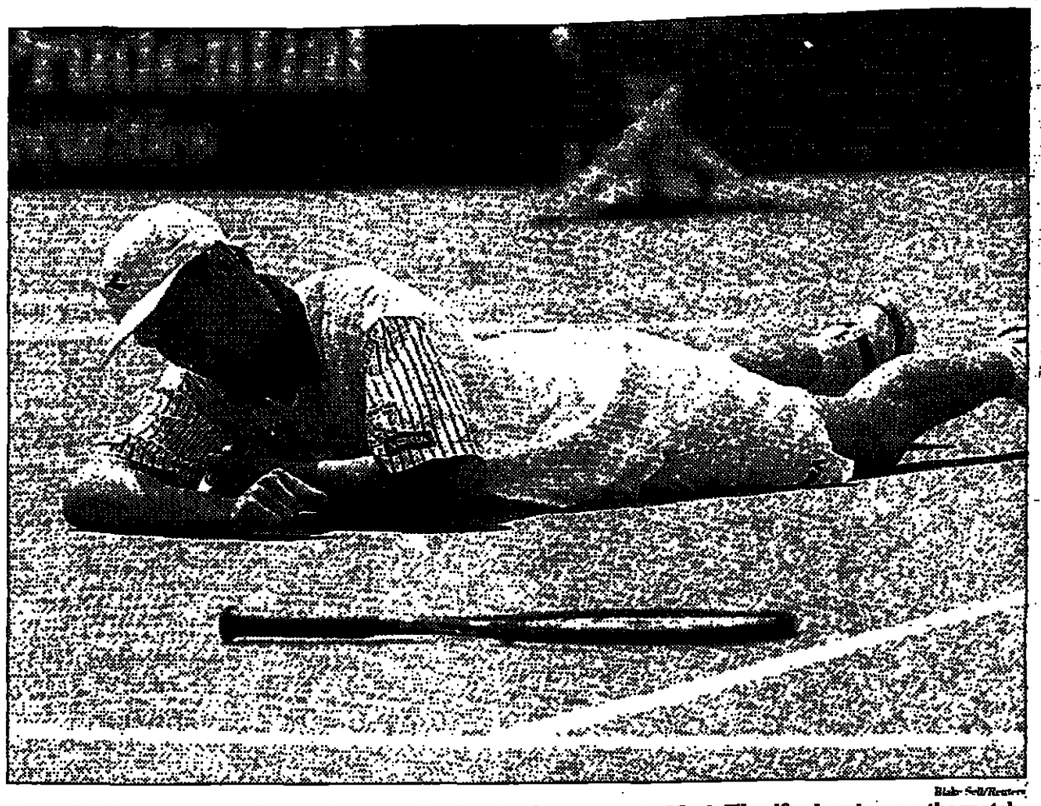
The only seeded player to lose Thursday was the big-serving but erratic Brenda Schultz-McCarthy. The 13th-seeded Dutchwoman was eliminated, 6-3, 6-3, by 91st-ranked Olga Barabanschikova of Belarus, who is 17

■ Looking to the Future

Now that the U.S. Tennis Association has activated a $254 million monument to itself in Flushing Meadows, a state-of-the-art National Tennis Center, it has started the task of making sure there will be some American-born stars distinguishing themselves there in the future.

The USTA announced Thursday that it would designate $31.4 million over the next five years to a grassroots program designed to introduce tennis to 800,000 new players.

The Play Tennis America program will be implemented in about 20 target markets a year. The USTA plans to budget $5 million for 1998 and increase its commitment on a yearly basis.



Blake Sell/Reuters

Yevgeni Kafelnikov, sprawling on the court after lunging for a return to Mark Woodforde, who won the match.

End of Road for Maradona?

Agence France-Presse

BUENOS AIRES — Diego Maradona, the Argentine soccer star, has tested positive for illicit drugs, an official with the Argentine Football Association said.

It was the third time the player has been caught, and the positive test seems certain to end Maradona's career.

Mauricio Macri, president of Maradona's team, the Boca Juniors, told a radio station Thursday that evidence of cocaine was found after Maradona was subjected to a random urine test after the Boca Juniors' defeat of the Argentine Juniors, 4-2, on Sunday.

"Maradona has failed himself more than the Boca team," Macri said.

Maradona has been automatically suspended until a second test, expected to be carried out next week.

Representatives of his club will be at the test, which if again positive, will leave the player likely facing a minimum one-year ban.

A spokesman for FIFA, soccer's world governing body, said in Zurich that it was a matter for the Argentina Football Federation to deal with.

The 36-year-old, who led Argentina to the 1986 World Cup and later played for Napoli, signed for the Boca Juniors for the third time last April.

In 1991, while playing for Napoli, Italy's Soccer Federation also banned him for 15 months after a urine test revealed he had taken cocaine.

Maradona was sent home from the 1994 World Cup after testing positive for doping and spent several weeks in a Swiss clinic last winter in an attempt to beat the habit.

Rugby Crisis Trips Up Murdoch

By Michael A. Hiltzik
Los Angeles Times

SYDNEY — Around here, they still remember the good old days of the Australian Rugby League. Attendance was at an all-time high. The sport dominated the television ratings, and Tina Turner was its glamorous pitchwoman, belting out the Australian Rugby League's theme song, "Simply the Best," for the cameras from atop Sydney Harbor Bridge.

Rugby League is the 13-a-side version of rugby. Its raw toughness, its spectacle of men without pads or helmets dashing down a 110-yard field and hauling each other to the ground by brute strength, appealed to something bare-fisted and independent in the Australian temperament.

That was 1994, but it might as well have been an eternity ago, before the rugby civil war started, destroying careers and sundering decades-old friendships. And before the fans fled in disgust and disillusionment, and the very future of the game came into question.

In short, before Rupert Murdoch.

The Australian-born Murdoch's News Corp. communications empire has enjoyed an enviable record over the years, expanding from a newspaper chain to embrace movie and TV production, cable and satellite broadcasting, and book publishing — and may soon include the Los Angeles Dodgers, whom Murdoch is expected to acquire.

Although often accompanied by controversy, even enmity, over Murdoch's tendency to sacrifice taste for mass appeal, the company's expansion reflects the determination and vision of its boss, who can spend millions on a project to silence doubters — and has more often than not proved himself right.

That determination has played out over the last two years on the field of Australian rugby.

Desperate for programming to attract subscribers to his new Foxtel cable TV operation here, and spurned by the official Australian Rugby League (which had a pay-TV contract with a rival company), Murdoch simply established his own league.

In a campaign a judge later attacked for its "secrecy, suddenness and deception," Murdoch's agents cajoled scores of the original league's top athletes into defecting by offering them huge cash bonuses and double or triple their salaries. Teams that resisted News Corp.'s offers to jump to what it christened the Super League were told they might soon find new, better-financed teams in their backyards.

"This has destroyed a lot of people's lives, mine included," says Kenneth M. Arthurson, 69, ARL chairman for 14 years before the stress of fighting News Corp. forced him to retire in March. "It's not about football but about pay television and corporate greed."

The effort, which so far has cost the Murdoch empire about $300 million, speaks eloquently of the importance of sport in his business strategy. It further illustrates his determination to secure whatever corporate advantage he can, regardless of the cultural or commercial obstacles.

Murdoch is expected to acquire the Dodgers for more than $350 million. His involvement with rugby suggests that, unlike that of some baseball owners — who may value the game largely as a repository of tradition or an opportunity to rub shoulders with popular heroes — his interest in the Dodgers would be overwhelmingly commercial, a way to combine his already huge investment in baseball's broadcast rights with ownership of a marquee team to create what could be a worldwide market giant.

Neither Murdoch nor his son Lachlan, a top executive in his Australian operation, was available for comment for this story. But the elder Murdoch told News Corp. shareholders at their annual meeting in October that he believes sport "absolutely overpowers" movies or any other kind of event as a draw for subscribers to cable and satellite TV.

"We intend to use sports as a battering ram and a lead offering in all our pay-television operations," he said.

His assault on Australian Rugby League also demonstrates that the Murdoch empire is not infallible — because the creation of the Super League has to rank as one of News Corp.'s bigger blunders.

The lavish investment has produced dismal TV ratings. On recent weekends, some Super League teams have played to crowds as meager as 5,000 to 7,000, in areas where games used to draw three or four times as many. One recent major contest drew 174,000 TV viewers in Sydney, about half of what was customary in previous years.

In the older league, attendance is down more than 20 percent on average from 1995, and TV ratings are slipping — in part because the schism created by two championships has deprived the sport of some of its choicest regional rivalries. Meanwhile, team expenses have soared, mostly because of the higher salaries demanded by players.

Now the bruising war has come full circle. With the sport hanging in the balance and the money hemorrhaging, the leagues are trying to negotiate a merger that might end the damaging rift as early as next year. It is something fans, broadcasters and officials of both leagues agree is essential to rugby league's survival as a pro sport here.

At the moment, the talks are at a standoff. Negotiations most recently broke off Aug. 17 over financial control of the game and cable rights, with each side convinced it has something the other needs: News Corp. has the money and the "global vision" needed to take the game to the "next step," as its executives have proclaimed; the ARL has credibility and tradition.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION	W	L	Pct.	GB
Baltimore	84	46	.646	—
New York	78	53	.595	6½
Boston	67	67	.500	19
Toronto	65	67	.492	20
Detroit	61	71	.462	24
CENTRAL DIVISION				
Cleveland	68	61	.527	—
Milwaukee	66	66	.500	3½
Chicago	65	68	.489	5
Kansas City	54	76	.415	14½
Minnesota	54	77	.412	15
WEST DIVISION				
Seattle	74	60	.552	—
Anaheim	72	62	.537	2
Texas	64	70	.478	10
Oakland	53	81	.396	21

NATIONAL LEAGUE

EAST DIVISION	W	L	Pct.	GB
Atlanta	82	51	.617	—
Florida	77	55	.583	4½
New York	71	61	.538	10½
Montreal	65	67	.492	16½
Philadelphia	49	80	.380	31
CENTRAL DIVISION				
Houston	70	63	.526	—
Pittsburgh	67	67	.500	3½
St. Louis	61	72	.459	9
Cincinnati	58	73	.443	11
Chicago	54	80	.403	16½
WEST DIVISION				
Los Angeles	76	59	.563	—
San Francisco	73	61	.545	2½
Colorado	65	70	.481	11
San Diego	63	72	.467	13

THURSDAY'S LINESCORES

AMERICAN LEAGUE

Chicago	200	000	000	00	2	9	1
Toronto	000	010	100	01	3	11	1

11 innings

Navarro, Karchner (9), McElroy (10), J. Darwin (11) and Karkovice, Fabregas (10); Clemens, Quantrill (10) and O'Brien. W—Quantrill, 6-5. L—McElroy, 0-3.

Kansas City	000	020	003	5	7	0
Baltimore	010	000	000	1	6	1

Rosado, Pichardo (8), Whisenant (8), Olson (9) and Mi.Sweeney; Mussina, Orosco (8), Ye.Mathews (9) and Hoiles. W—Rosado 9-10. L—Mussina 13-6. HRs—Kansas City, J. King (18), Sutton (2). Baltimore, Hammonds (18).

NATIONAL LEAGUE

Florida	000	000	120	3	7	1
Chicago	002	000	010	1	10	1

(10 innings)—K.J.Brown, Powell (7), Cook (7), Pall (8), Nen (8), Vosberg (9), Alfonseca (10) and C. Johnson. Zaun (10); M.Clark, Pisciotta (8), Patterson (10), T. Adams (10) and Servais. W—T. Adams, 2-8. L—Alfonseca, 1-2. HRs—Florida, C. Johnson (17), Chicago, Sosa (30).

Houston	000	200	000	2	5	1
Atlanta	000	103	00x	4	7	1

Kile and Eusebio; Neagle, Cather (8), Wohlers (9) and J. Lopez. W—Neagle 18-3. L—Kile 17-4. Sv—Wohlers (32). HRs—Atlanta, Klesko (19), J. Lopez (21).

Montreal	500	000	000	5	7	1
St. Louis	021	302	21x	11	15	1

Paniagua, Kline (4), Bennett (6), M. Valdes (7), Urbina (8), Bullinger (8) and Widger; An.Benes, C. King (7), Petkovsek (9) and Pagnozzi. W—An.Benes 9-7. L—Paniagua 0-2. HRs—Montreal, Segui (15). St. Louis, McGwire (8).

INTERLEAGUE

Anaheim	001	000	100	2	9	1
San Diego	020	340	00x	9	12	0

Dickson, Hasegawa (5), Cadaret (6), James (7) and Kreuter; Menhart, Cunnane (8) and Flaherty. W—Menhart 1-2. L—Dickson 13-6. HR—Anaheim, Edmonds (21).

Seattle	020	000	030	5	10	3
Colorado	031	002	30x	9	12	0

Olivares, Charlton (7), B. Wells (8) and Da.Wilson; Astacio, S.Reed (8), Holmes (9) and Je.Reed. W—Astacio 8-9. L—Olivares 6-9. HRs—Seattle, R. Kelly (8), E. Martinez (24). Colorado, Galarraga (35), Je.Reed (12).

Oakland	000	000	010	1	4	2
Los Angeles	300	022	00x	7	10	0

Ludwick, Wengert (6), D. Johnson (8) and Mayne; Nomo, Guthrie (8) and Piazza. W—Nomo 13-10. L—Ludwick 0-1.

Texas	010	003	007	11	13	1
San Francisco	200	011	010	5	9	2

Witt, Moody (6), Bailes (7), Whiteside (7), Wetteland (9) and I.Rodriguez; D.Darwin, Mulholland (7), Beck (9) and Mirabelli, B.Johnson (9). W—Whiteside, 3-1. L—Beck, 4-3. HRs—San Francisco, Bonds (31), Snow (22).

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct	GB
Yakult	63	44	2	.589	—
Yokohama	59	45	0	.567	2½
Hiroshima	55	50	0	.524	7
Hanshin	48	58	1	.453	14½
Chunichi	49	61	1	.445	15½
Yomiuri	46	62	0	.426	17½

PACIFIC LEAGUE

	W	L	T	Pct	GB
Seibu	60	45	2	.571	—
Orix	56	43	3	.566	1
Nippon Ham	52	56	1	.481	9½
Kintetsu	51	56	2	.477	10
Daiei	51	57	0	.472	10½
Lotte	44	57	2	.436	14

FRIDAY'S RESULTS
CENTRAL LEAGUE

Chunichi 3, Yakult 1
Hanshin 4, Yokohama 0
Yomiuri 4, Hiroshima 1
PACIFIC LEAGUE
Orix 8, Seibu 5
Kintetsu 3, Daiei 1
Nippon Ham 3, Lotte 2

SOCCER

CUP WINNERS' CUP

QUALIFYING ROUND, RETURN LEG

Ararat Yerevan, Arm., 0, D.Batumi, Georgia 2
Ararat won 3-2 aggregate.
B. Bobruisk, Bel. 4, Sadam Tallinn, Est., 1
Belshina Bobruisk won 5-2 aggregate
Budapesti Vasutas, Hun. 2, Balzers, Liecht. 0
Budapesti won 5-1 aggregate.
H. Beer-Sheva, Isr. 2, Zalgiris Vilnius, Lith. 1
Hapoel Beer-Sheva won 2-1 aggregate.
Kapaz Ganja, Azer. 0, D.Daugavpils, Lat. 1
Dinamo Daugavpils won 2-0 aggregate.
Legia Warszawa, Pol., 4, Glenavon, N.Ir. 0
Legia Warszawa won 5-1 aggregate.
N. Bucuresti, Rom. 7, Cwmbran, Wales 0
National Bucuresti won 12-2 aggregate.
Nicosia, Cyp. 6, Havnar Boltfelag, Faeroe 0
Nicosia won 7-1 aggregate.
Zagreb, Croatia 2, Sioga, Macedonia 0
Zagreb won 4-1 aggregate.
Red Star Belg., Yug. 3, HJK Helsinki, Fin. 0
Red Star won 3-1 aggregate.
Shakhtyor Donetsk, Ukr. 3, Zimbru, Mold. 0
Shakhtyor won 4-1 aggregate.
Shelbourne, Ir., 1, Kilmarnock, Scot., 1,
Kilmarnock won 3-2 aggregate.
Slavan Bratislava, Slovakia, 2, Levski, Bulg. 1
Slavan Bratislava won 3-2 aggregate.
US Luxembourg, Lux. 0, Primorje, Slovenia 1
NK Primorje won 3-0 aggregate.
Vesinmanoeyja, Ice. 3, Hibernians, Malta 0
Vesinmanoeyja won 4-0 aggregate.

EUROPEAN CUPS DRAW

CHAMPIONS CUP

Sept. 17, 1 vs. 4, 2 vs. 3, Oct. 1, Oct. 22, Nov. 5, Nov. 26, Dec. 10.

GROUP A

1. Borussia Dortmund, Germany; 2. Sparta Praha, Czech Republic; 3. Parma, Italy; 4. Galatasary, Turkey.

GROUP B

1. Feyenoord Rotterdam, Netherlands; 2. Kosice, Slovakia; 3. Manchester United, England; 4. Juventus, Italy.

GROUP C

1. Barcelona, Spain; 2. Eindhoven, Netherlands; 3. Dinamo Kiev, Ukraine; 4. Newcastle United, England.

GROUP D

1. FC Porto, Portugal; 2. Real Madrid, Spain; 3. Rosenborg, Norway; 4. Olympiakos, Greece

GROUP E

1. Goteborg, Sweden; 2. Bayern Munich, Germany; 3. Besiktas, Turkey; 4. Paris St. Germain, France.

GROUP F

1. K. Lierse SK, Belgium; 2. Sporting, Portugal; 3. Monaco, France; 4. Bayer 04 Leverkusen, Germany.

CUP WINNERS' CUP

1st round, 1st leg Sept. 18, return Oct. 2.
Kocaelispor, Turk., vs. Nat. Bucurest, Rom.
Apoel Nicosia, Cyp., vs. Sturm Graz, Austria
Stuttgart, Germ., vs. Vestmannaeyja, Iceland
Boavista, Port., vs. Shakhtyor Donetsk, Ukr.
Ekeren, Belg., vs. Red Star Belgrade, Yug.
AIK Solna, Swe., vs. NK Primorje, Slovenia
AEK Athens, Gr., vs. Din. Daugavpils, Lat.
Slavia Praha, Czech R., vs. Lucerne, Switz.
Hapoel Beer-Sheva, Isr., vs. Roda JC, Neth.
NK Zagreb, Croatia, vs. Tromso, Norway
Copenhagen, Den., vs. Ararat Yerevan, Arm.
B. Bobruisk, Bel., vs. Lokom. Moscow, Rus.
Chelsea, Eng., vs. Slovan Bratislava, Slovakia
Nice, France, vs. Kilmarnock, Scotland
Real B., Spain, vs. Budapest Vasutas, Hung.
Vicenza, Italy, vs. Legia Warszawa, Poland

UEFA CUP

1st round, 1st leg Sept. 16, return Sept. 30.

GROUP A

Deportivo, Spain, vs. Auxerre, France
Salzburg, Austria, vs. RSC Anderlecht, Belg.
PAOK Salonica, Greece, vs. Arsenal, Eng.
Wktzew Lodz, Poland, vs. Udinese, Italy

GROUP B

Ajax, Neth., vs. Maribor Teatanic, Slovenia
Lyon, France, vs. Brondby, Denmark
Mozyr, Belarus, vs. Dinamo Tbilisi, Georgia
Valladolid, Spain, vs. Skonto, Latvia

GROUP C

Vitoria, Portugal, vs. Lazio Rome, Italy
Strasbourg, France, vs. Rangers, Scotland
Schalke 04, Germ., vs. Hajduk Split, Croatia
MTK Budapest, Hun., vs. A. Vladikavkaz, Rus.

GROUP D

Slov, Switz., vs. Spartak Moscow, Russia
Bastia, France, vs. Benfica, Portugal
Ferencvaros, Hung., vs. OFI Crete, Greece
Sampdoria, It., vs. Athletic de Bilbao, Spain

GROUP E

Bordeaux, France, vs. Aston Villa, England
Steaua Bucharest, Rom., vs. Fenerbahce, Tur.
Rotor Volgograd, Rus., vs. Orebro, Sweden
Jazz, Port, Finland, vs. 1860 Munich, Ger.

GROUP F

Trabzonspor, Turkey, vs. Bochum, Germany
Croatia Zagreb, vs. Grasshoppers, Switz.
Vitesse Arnhem, Neth., vs. Braga, Portugal
Rapid Vienna, Aus., vs. H. Petah-Tikva, Isr.

GROUP G

Inter Milan, It., vs. Neuchatel Xamax, Switz.
Celtic, Scotland, vs. Liverpool, England
Excelsior Mouscron, Belg., vs. Metz, France
Twente Enschede, Neth., vs. Lillestrom, Nor.

GROUP H

Beitar Jerusalem, Isr., vs. Brugge, Belgium
Atletico Madrid, Spain, vs. Leicester, Eng.
Aarhus, Denmark, vs. Nantes, France
Karlsruhe, Ger., vs. A. Famagusta, Cyprus

MAJOR LEAGUE SOCCER

Washington D.C. 3, New England 2
Colorado 0, Kansas City 1

TENNIS

U.S. OPEN

THURSDAY'S RESULTS
WOMEN'S SINGLES
SECOND ROUND

Mary Joe Fernandez (12), U.S., def. Rita Grande, Italy, 4-6, 6-2, 6-2.
Arantxa Sanchez Vicario (10), Spain, def. Mailen Tu, U.S., 6-2, 5-7, 6-2.
Olga Barabanschikova, Belarus, def. Brenda Schultz-McCarthy (13), Neth., 6-3, 6-3.
Magui Serna, Spain, def. Nathalie Dechy, France, 6-4, 6-4.
Patty Schnyder, Switzerland, def. Yuka Yoshida, Japan, 4-6, 6-2, 6-4.
Elena Likhovtseva, Russia, def. Ludmila Richterova, Czech Republic, 7-5, 6-1.
Paola Suarez, Argentina, def. Jackie Trail, U.S., 4-6, 7-5, 6-4.
Rachel McQuillan, Australia, def. Rika Hiraki, Japan, 6-0, 6-2.
Martina Hingis (1), Switzerland, def. Denisa Chladkova, Czech Republic, 6-1, 6-2.
Jana Novotna (3), Czech Republic, def. Yayuk Basuki, Indonesia, 6-4, 6-2.
Kimberly Po (16), U.S., def. Barbara Schett, Austria, 6-3, 4-6, 7-5.
Florencia Labat, Argentina, def. Francesca Lubiani, Italy, 6-1, 6-1.
Conchita Martinez (7), Spain, def. Samantha Smith, Britain, 6-1, 6-0.
Mirjana Lucic, Croatia, def. Brie Rippner, U.S., 6-0, 6-1.
Lindsay Davenport (6), U.S., def. Wiltrud Probst, Germany, 6-2, 6-3.

MEN'S SINGLES
SECOND ROUND

Daniel Vacek, Czech Republic, def. Mike Sell, U.S., 4-6, 7-6 (7-5), 6-1, 6-2.
Alex Corretja (6), Spain, def. Bohdan Ulihrach, Czech Republic, 7-5, 6-4, 3-6, 6-4.
Alex Radulescu, Germany, def. Richard Fromberg, Australia, 3-6, 6-4, 6-3, 3-6, 6-4.
Pete Sampras (1), U.S., def. Patrick Baur, Germany, 7-5, 6-4, 6-3.
John van Lottum, Netherlands, def. Johan Van Herck, Belgium, 6-3, 6-4, 6-4.
Felix Mantilla (12), Spain, def. Javier Sanchez, Spain, 7-5, 6-4, 6-2.
Petr Korda (15), Czech Republic, def. Marzio Martelli, Italy, 6-3, 7-6 (7-4), 7-6 (7-5).
Greg Rusedski, Britain, def. Marcos Ondruska, South Africa, 7-6 (7-3), 6-4, 6-1.
Scott Draper, Australia, def. Jiri Novak, Czech Republic, 7-5, 7-6 (7-4), 3-6, 6-3.
Jens Knippschild, Germany, def. Dinu Pescariu, Romania, 6-3, 7-5, 6-1.
Gustavo Kuerten (9), Brazil, def. Sjeng Schalken, Netherlands, 6-4, 6-4, 6-2.
Richard Krajicek, Netherlands, def. Marcelo Filippini, Uruguay, 7-6 (7-4), 6-2, 7-5.
Martin Damm, Czech Republic, def. Brett Steven, New Zealand, 6-4, 6-4, 3-6, 7-6 (7-4).

FRIDAY'S RESULTS
WOMEN'S SINGLES
THIRD ROUND

Irina Spirlea (11), Romania, def. Lisa Raymond, U.S., 6-2, 7-5.
Monica Seles (2), U.S., def. Miriam Oremans, Netherlands, 6-1, 6-1.

MEN'S SINGLES
SECOND ROUND

Patrick Rafter (13), Australia, def. Magnus Norman, Sweden, 6-2, 6-1, 6-2.
Cedric Pioline, France, def. Nicolas Lapentti, Ecuador, 6-0, 6-4, 6-2.
Magnus Larsson, Sweden, def. Nicolas Escude, France, 6-4, 6-2, 7-6 (7-3).
Fernando Meligeni, Brazil, def. Christian Ruud, Norway, 6-3, 6-4, 6-3.
Hernan Gumy, Argentina, def. Todd Woodbridge, Australia, 7-5, 6-4, 6-2.
Mark Woodforde, Australia, def. Yevgeny Kafelnikov (3), Russia, 6-3, 6-4, 7-6 (7-4).
Wayne Ferreira, South Africa, def Tim Henman, Britain, 6-3 6-2 6-4
Tommy Haas, Germany, def. Jan Kroslak, Slovakia, 6-4, 6-1, 6-2.

TRANSITIONS

BASEBALL
AMERICAN LEAGUE

CHICAGO—Bought contract of OF Maggio Ordonez from Nashville, AA.
DETROIT—Optioned RHP Eddie Gaillard to Toledo, IL. Recalled OF Bubba Trammell from Toledo.
OAKLAND—Selected contract of RHP Eric Ludwick from Hamilton, PCL. Called up SS Miguel Tejada from Huntsville, SL. Placed SS Tony Batista on 15-day disabled list.

NATIONAL LEAGUE

LOS ANGELES—Signed LHP Nial Hughes. Recalled OF Garey Ingram from San Antonio, TL. Put OF Roger Cedeno on 15-day disabled list. Designated INF Chip Hale for assignment.
PITTSBURGH—Purchased the contract of RHP Jason Johnson and INF Abraham Nunez from CarolinaSL. Put RHP Clint Sodowsky on 15-day disabled list. Optioned RHP Jose Silva to Calgary, PCL. Designated RHP John Dillinger and 1B Mark Johnson for assignment.

FOOTBALL
NATIONAL FOOTBALL LEAGUE

NEW YORK JETS—Re-signed P Brian Hansen. Released P Todd Kurz.
PITTSBURGH—Signed DB Chris Oldham.
SAN FRANCISCO—Signed DT Bryant Young to 6-year contract.

HOCKEY
NATIONAL HOCKEY LEAGUE

CAROLINA—Signed F Steve Martins and F Ethan Philpott.
NEW YORK RANGERS—Traded LW Luc Robitaille to Los Angeles for LW Kevin Stevens.

COLLEGE

FLORIDA A&M—Declared QB Jose Laureano ineligible for unspecified nonacademic violations.
FLORIDA STATE—Suspended S Sean Key for September 6, season opener at Southern California.
MISSISSIPPI STATE—Suspended G Bart Hyche from basketball team for undetermined part of the 1997-98 season for pleading guilty to DUI.
NORTH CAROLINA STATE—Declared QB Jose Loreano ineligible for the football team for the season.
PURDUE—Declared WR Ron Mason, OL Nick Sweeney, RB Curtis Taylor and DB Willie Washington academically ineligible.

THE WEEK AHEAD

SATURDAY, AUG. 30

AUTO RACING, Helsinki, Finland — 1,000 Lakes Rally of Finland, to Aug. 31; Dallas — IMSA, Grand Prix of Dallas.
CYCLING, Houffalize, Belgium — World Cup, to Aug. 31.
CYCLING, Perth, Australia — World track Championships, to Aug. 31.
GOLF, Men: Munich, Germany — BMW International Open, to Aug. 31; Milwaukee — Greater Milwaukee Open, to Aug. 31; Hoshima, Japan — Hisamitsu KBC Augusta, to Aug. 31; Midway, Pennsylvania — Pittsburgh Senior Classic, to Aug. 31; Women: Narita, Japan — Goyo Kensetsu Ladies Cup, to Aug. 31; Springfield, Illinois — State Farm Rail Classic, to Sept. 1.
ROWING, Aiguebelette, France — World Championships, to Sept. 8.
SOCCER, Windhoek, Namibia — international friendly, Namibia vs. Zambia; Spain — start of Primera Division season.
TENNIS, New York — U.S. Open Tennis Championships, to Sept. 7.
WORLD UNIVERSITY GAMES, Palermo, Sicily — to Aug. 31.
WRESTLING, Krasnoyarsk, Russia — Men, Freestyle World Championships, to Sept. 1.

SUNDAY, AUG. 31

AMERICAN FOOTBALL, New York — NFL regular season begins.
AUTO RACING, Vancouver, British Columbia — CART, Indy-car, Molson-Indy Vancouver; Darlington, South Carolina — auto racing, NASCAR Winston Cup, Mt. Dew Southern 500.
GOLF, Munich, Germany — Seve Ballesteros announces final team for European Ryder Cup team.
GYMNASTICS, Lausanne, Switzerland — men, women, World Championships, to Sept. 7
MOTORCYCLE RACING, Brno, Czech Republic — Czech Republic Grand Prix.
SOCCER, Italy — start of Serie A season.

MONDAY, SEPT 1

OLYMPICS, Lausanne, Switzerland — IOC Executive Committee meetings, to Sept. 6.

TUESDAY, SEPT. 2

No major entries.

WEDNESDAY, SEPT. 3

ATHLETICS, Rieti, Italy — men, women, IAAF, Grand Prix, Rieti '97 (class II).

THURSDAY, SEPT. 4

GOLF, Men: Crans-Sur-Sierre, Switzerland — Canon European Masters, to Sept. 7; Bell Canadian Open, to Sept. 7; Japan PGA Matchplay, to Sept. 7
SOCCER, Cairo, Egypt — Under-17 World Cup, to Sept. 21.

FRIDAY, SEPT. 5

OLYMPICS, Lausanne, Switzerland — IOC Session, decision for 2004 games site.
GOLF, Men: Bank One Classic (seniors), to Sept. 7; Women: Portland, Oregon — The Safeway LPGA Championship, to Sept. 7; Mitsubishi, Japan — Fujisankei Ladies Classic, to Sept. 7.
SOCCER, New York — exhibition, El Salvador vs. Costa Rica.

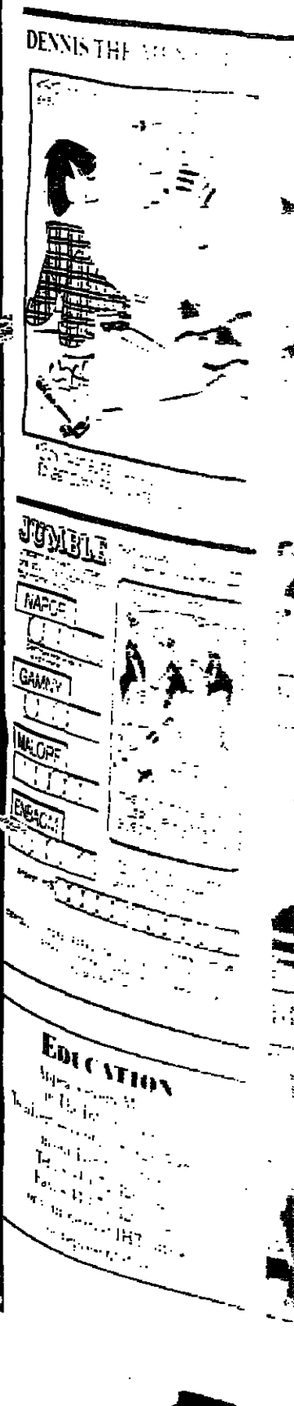
SATURDAY, SEPT. 6

ICE HOCKEY, Turku, Finland — IIHF European Super Cup, TPS Turku vs. Lada Togliatti.
CYCLING, Madrid, Spain — Vuelta de Espana, to Sept. 28.
VOLLEYBALL, Eindhoven, Den Bosch, Netherlands — men, European Championship, to Sept. 14.
SOCCER, Various sites — World Cup qualifying: Croatia vs. Bosnia-Herzegovina; Slovenia vs. Greece; Switzerland vs. Finland; Azerbaijan vs. Norway; Austria vs. Sweden; Latvia vs. Estonia; Scotland vs. Belarus; Faeroe Islands vs. Czech Republic; Netherlands vs. Belgium; Iceland vs. Ireland; Liechtenstein vs. Romania; Lithuania vs. Macedonia; Germany vs. Portugal; Armenia vs. Albania; South Korea vs. Kazakstan.

SUNDAY, SEPT. 7:

AUTO RACING, Monza, Italy — Formula One, Italian Grand Prix; Monterey, California — Indy-car, Grand Prix of Monterey.
ATHLETICS, Gateshead, England — BUPA Series Final, IAAF Grand Prix (class II).
SOCCER, Various sites — World Cup qualifying: Luxembourg vs. Cyprus, United States vs. Costa Rica; Jamaica vs. Canada; Japan vs. Uzbekistan

Padre Finds Interleague Victory Can Count a Lot



SPORTS

Padre Finds Interleague Victory Can Count a Lot

The Associated Press

There is still some confusion about interleague games — even among the players.

Shortly after Paul Menhart pitched the San Diego Padres past the Anaheim Angels, 9-2, on Thursday, he had a serious question.

"This doesn't count as a National League win, does it?" he asked.

It did, meaning Menhart got credit for his first National League victory, even though it came against an American League team.

"That's good to know," he said. "I guess I should have read the papers more."

Baseball's third and final round of interleague games this season runs through Wednesday. Once again, the matchups provided plenty worth watching:

• The largest crowd in Coors Field history, 50,269, saw Colorado beat Seattle. Andres Galarraga of the Rockies hit a 487-foot (145-meter) homer, the longest in the ballpark's three seasons.

• A rare catcher's interference call started a seven-run rally in the ninth inning against Rod Beck that led Texas over San Francisco.

• Los Angeles stole seven bases, all of them in the first five innings, in a victory over Oakland.

By the end of the evening, this year's AL-NL series stood even at 67-67.

Rockies 9, Mariners 5 Galarraga hit a two-run homer and an RBI double as Colorado won a matchup of the top two homer-hitting teams in the majors. Jeff Reed had a three-run shot as the Rockies won their third straight game.

Edgar Martinez and Roberto Kelly homered in the eighth inning for Seattle. Ken Griffey Jr., leading the majors with 43 home runs, went 0 for 3 but was cheered in every at-bat.

Rangers 11, Giants 5 San Francisco's closer, Rod Beck, took a 5-4 lead into the ninth and appeared to retire Jim Leyritz on a routine grounder to start the inning. But Leyritz was awarded first base because his bat hit the glove of catcher Brian Johnson, starting the Texas comeback at San Francisco.

Juan Gonzalez drew a bases-loaded walk with one out that made it 5-all, and pinch-hitter Mike Simms followed with a three-run double.

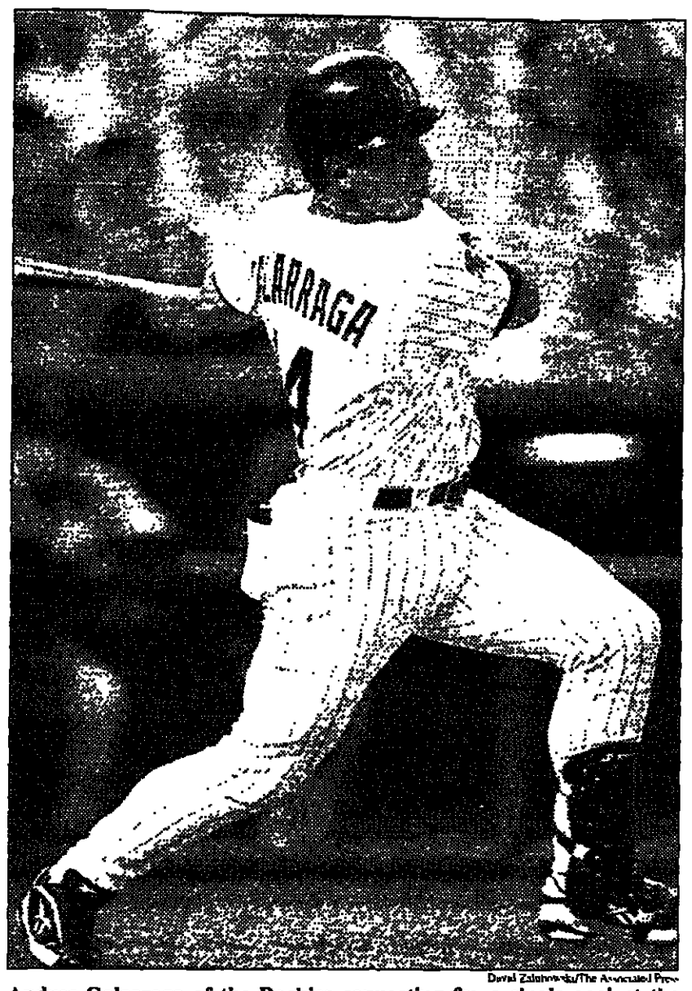
Barry Bonds hit his 31st homer and Jeff Kent doubled home a run, making him the NL's first middle infielder with 100 RBIs since Ryne Sandberg of the Cubs in 1991.

Dodgers 7, Athletics 1 Hideo Nomo pitched into the eighth inning before a crowd of 51,392 at Los Angeles.

The teams split a two-game series at Oakland in June but had not played at Dodger Stadium since Game 2 of the 1988 World Series, when Orel Hershiser pitched Los Angeles to a 6-0 victory.

Otis Nixon stole three bases and Mike Piazza — on the back half of double steals — and Eric Young each stole twice for Los Angeles.

Padres 9, Angels 2 John Flaherty went 3 for 3 and drove in three runs as San Diego stopped a four-game losing streak. The game drew 18,203, below the Padres' average home attendance of 26,001.



David Zalubowski/The Associated Press

Andres Galarraga of the Rockies connecting for a single against the Mariners a few innings before he blasted his mammoth home run.

Ken Caminiti also had three hits for the Padres. Jim Edmonds hit his 21st home run for Anaheim and made a diving catch on the warning track in center field.

In National League games:

Braves 4, Astros 2 Ryan Klesko rediscovered the art of home runs, hitting one for the first time in more than a month.

Denny Neagle got the victory to become the National League's first 18-game winner.

Javy Lopez hit his 21st home run, a three-run shot into the left-field seats.

Neagle (18-3) allowed only four hits in seven innings to beat Darryl Kile, who had a 10-game winning streak and also was seeking to become an 18-game winner. Mark Wohlers worked the ninth for his 32d save, striking out Russ Johnson with runners at second and third.

Cardinals 11, Expos 5 Mark McGwire hit his 42d home run and St. Louis bounced back to beat visiting Montreal.

The Expos scored five times in the first inning against Andy Benes (9-7) before the Cardinals rallied.

McGwire hit a solo home run and a sacrifice fly. Since being traded from Oakland to the Cardinals on July 31, McGwire has 15 hits — eight of them home runs.

Royce Clayton and Tom Pagnozzi each had three hits for St. Louis.

Cubs 4, Marlins 3 Shawon Dunston singled home the winning run with two outs in the 10th inning in Chicago.

Mark Grace singled off Antonio Alfonseca (1-2) to start the Chicago ninth and moved to second on a passed ball with two outs. Dunston followed with a single as the Cubs beat Florida for only the second time in 11 games this season.

Sammy Sosa homered for the Cubs, reaching the 30-homer mark for the third straight year.

In American League games:

Blue Jays 3, White Sox 2 In Toronto, Roger Clemens pitched another shutout — at least when it came to earned runs — and it wasn't good enough for his 21st victory.

"I kept the game close," Clemens said after the 11-inning game, "and guys did some late damage and got us a win. That's what counts." The only 20-game winner in the majors allowed two runs — both unearned — and seven hits in nine innings, struck out seven and lowered his league-leading ERA to 1.73.

A first-inning error by third baseman Ed Sprague led to both Chicago runs.

Toronto got the winning run in the 11th on a wild pitch. After Charlie O'Brien's leadoff single against Chuck McElroy (0-3), Tomas Perez sacrificed, Shannon Stewart was intentionally walked and Jose Cruz Jr. walked, loading the bases.

With an 0-2 count to Joe Carter, Jeff Darwin threw a pitch in the dirt and it bounced over the head of catcher Jorge Fabregas as pinch-runner Robert Perez scored.

Royals 5, Orioles 1 Jeff King hit a two-run homer and Larry Sutton added a three-run shot at Camden Yards. Kansas City beat the Orioles twice in the three-game series.

"Their record may say one thing, but I don't think that's a bad club," the Orioles manager, Davey Johnson, said.

After a one-out single by Dean Palmer in the fifth, King connected against Mike Mussina (13-6) for his 18th homer. Mussina had not allowed a runner before Palmer's hit.

Jose Rosado (9-10) established a career-high in victories, allowing four hits in seven innings to win for only the second time in 12 starts since June 23. He struck out seven and walked one.

Best NFL Opener: Cowboys-Steelers

Dallas to Learn if Sanders's Aching Back Will Let Him Play

By Mike Freeman
New York Times Service

The long road to the Super Bowl begins Sunday with 14 National Football League games scheduled. The Chicago Bears play the Green Bay Packers on Monday night.

Dallas at Pittsburgh This is the best matchup of the day and perhaps the one with the most questions. The biggest one for Dallas is Deion Sanders. Will his ailing back allow him to play and if he does, how effective will he be?

NFL Matchups

Steelers quarterback Kordell Stewart has had a great preseason but Dallas has the athleticism in the secondary and linebacking core to keep up with his dual threats of running and passing.

Dallas's all-time interconference winning percentage is second best in the NFC (60-32, .652) as are its 60 victories. That is largely because of the talent of Emmitt Smith, who in two games against the Steelers has rushed for 280 yards and two touchdowns. *Prediction: Cowboys 35, Steelers 21*

San Diego at New England San Diego's Pro Bowl linebacker, Junior Seau, is questionable with a knee injury. If he doesn't play, the Patriots will have a field day on the ground.

Curtis Martin has a touchdown in each of his last 15 home games. His 32 touchdowns in his first two seasons represent the second-most in league history (Eric Dickerson had 34).

And remember, the Patriots' quarterback, Drew Bledsoe, threw for 4,086 yards last season. This could be the beginning of something special for the Patriots — a return trip to the Super Bowl. *Patriots 28, Chargers 10*

Kansas City at Denver The Chiefs spent much of the off-season upgrading what was a terrible offense last year, the biggest change being the signing of Elvis Grbac to play quarterback. The experiment begins for real against a team that many think will reach the Super Bowl.

Since tearing his bicep, the Broncos' John Elway has been able to throw well, but the league will be watching to see if it can hold up to the pounding of an NFL season.

Against the Chiefs, it will. *Broncos 17, Chiefs 7*

Minnesota at Buffalo This is the beginning of the Brad Johnson era in Minnesota.

Last year he finished third in the NFL with an 89.4 passer rating, was 5-3 as a starter and led the Vikings to a 4-2 mark in their final six games. He can play.

Look for him to light up a Bills defense that with the exception of Bruce Smith showed little in preseason. *Vikings 20, Bills 7*

Indianapolis at Miami Quarterback Dan Marino has a career-high 18 victories against Indianapolis, and the Colts have been perhaps the most disrespected team in the American Football Conference, but they are healthy and quarterback Jim Harbaugh has a 105.6 passer rating in his last four games against Miami.

Having two rookies on their starting line for the first time since 1984 — guard Tarik Glenn and tackle Adam Meadows — is a worry, but the Colts believe Glenn plays like a 10-year veteran. *Colts 17, Dolphins 14*

Jacksonville at Baltimore Losing their starting quarterback, Mark Brunell, for two months to a knee injury is a huge blow to the Jaguars, but Coach Tom Coughlin is so certain of the abilities of backup Rob Johnson that he chose not to go out and seek a more experienced man.

Johnson rewarded Coughlin's faith in him as he led all quarterbacks in the preseason with a passer rating of 142.9.

The Jaguars will run, run, run anyway, behind Natrone Means. *Jaguars 30, Ravens 10*

San Francisco at Tampa Bay Tampa Bay will be one of the most well-coached teams in the league under Tony Dungy, but this is a tough game for his team.

The 49ers are irritated because they played horribly in preseason and the newly acquired Kevin Greene will be on a mission to prove the Carolina Panthers made a mistake in letting him go. But there's always Jerry Rice to watch out for. The 49ers wide receiver is the league's all-time leader in receptions (1,050), receiving yards (16,377) and touchdown receptions (154) and will be out there waiting for Steve Young's throws. *49ers 24, Buccaneers 20*

Oakland at Tennessee The Oilers are finding that moving the franchise does not always guarantee there will be fan interest. If that isn't enough, here come the Raiders, bringing back the long passing game with new quarterback Jeff George, he of the sometimes bad attitude, looking for a new start. In preseason, the Oakland passing game has looked great and there is no reason to think that will change against the Oilers. *Raiders 42, Oilers 17*

Atlanta at Detroit The Lions are going to a more traditional two-back set while the Falcons go to their new coach, Dan Reeves, for guidance.

This game is hard to call because Reeves has a great ability to get his teams fired up for certain games but in the end the lack of talent on the team — and the predictable, dry offense of Reeves — will be too much for Atlanta to overcome. Look for running back Barry Sanders to get his 100 yards — he has gained at least that in his last three opening games. *Lions 14, Falcons 3*

Philadelphia at N.Y. Giants Jim Fassel makes his coaching debut on his birthday against a team the Giants have been manhandled by the last two years. Happy Birthday, Jim. Now it is his turn to figure out why the Eagles under Rhodes seem to intimidate the Giants.

But this year the Giants have new blood in rookies Tiki Barber and Ike Hilliard, both of whom will be starting, and neither knows or cares about the Eagles' recent dominance. Philadelphia hasn't seen these kind of weapons on the Giants in several years. *Giants 21, Eagles 20*

New Orleans at St. Louis The battle of the old fogies, Mike Ditka and Dick Vermeil. The latter has the edge because of the amazing work he has done so far in trying to change the attitude of the lowly Rams. Having a potentially great player in Orlando Pace doesn't hurt, either.

The Rams' wide receiver Isaac Bruce has caught more passes in his first three years in the league (224) than any other receiver. *Rams 10, Saints 0*

Arizona at Cincinnati The biggest matchup in this game, and the one that will determine the outcome, is between two Pro Bowl players — wide receiver Carl Pickens of the Bengals and cornerback Aeneas Williams of Arizona.

The problem for the Cardinals is that Cincinnati has other offensive weapons like running back Ki-Jana Carter, who has averaged seven yards a carry in preseason. *Bengals 21, Cardinals 10*

N.Y. Jets at Seattle It is hard to imagine Jets' coach Bill Parcells losing this game. The common misconception is that the Jets don't have talent; actually, they have lots of it. It just wasn't being utilized.

Exhibition seasons usually mean nothing, but the Jets' 4-0 record does — in this case it means the team has a coach who knows how to utilize that talent. *Jets 17 Seattle 14*

Washington at Carolina The one thing Washington can do little about is the incredible home-field advantage the Panthers now possess, one of the best in the league. Last year they were 8-0 at home. Even with Kerry Collins out because of a broken jaw, the offense centers on the running game and the Panthers rely on their defense and zone blitzes. *Panthers 16, Redskins 6*

Chicago at Green Bay In their game Monday night, the Packers begin the defense of their title against a team they have played very well against recently; a Packer victory would tie the longest consecutive winning streak against Chicago with seven. Don't worry about complacency or cockiness from the Packers. Coach Mike Holmgren put the team through its hardest training camp ever under him. *Packers 27, Bears 3*

Ohio State Stops Wyoming

The Associated Press

Thanks to a stout effort from the defense, ninth-ranked Ohio State turned back four-touchdown underdog Wyoming in the Eddie Robinson Football Classic in Columbus, Ohio.

But the Buckeyes didn't earn much respect Thursday night with their 24-10 victory over the Cowboys.

College Football

"I felt we were better conditioned and a more physical team than Ohio State," said the Wyoming coach, Dana Dimel, after season opener for both teams. "I felt we controlled both lines of scrimmage. If you go back and watch the films, I don't think there's a lot of difference between the two teams."

Ohio State outgained Wyoming, 500 yards to 323, held the ball for 10 minutes longer, got the game's only three turnovers and was not seriously threatened after Michael Wiley and Dee Miller scored third-quarter touchdowns.

Wiley, who rushed for 121 yards on 10 carries, scored on a 32-yard run, and Miller caught a 45-yard scoring pass.

But the Ohio State coach, John Cooper, acknowledged that his team had not played inspired football. "We were real sloppy," he said of his team's offensive execution. "We were wallowing around and we weren't blocking."

Ohio State's 35-game streak of sellouts ended on the third night game in Ohio Stadium history. A crowd of 89,122 — 719 under capacity — watched the Buckeyes win their 19th-straight home opener.

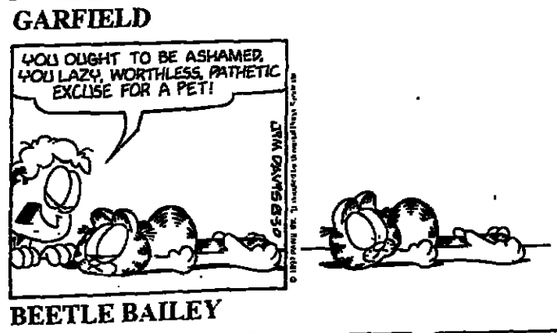
Ohio State, coming off an 11-1 record and No. 2 ranking in 1996, limited the Cowboys to 323 yards. Wyoming of the Western Athletic Conference was 10-2 last season.

DENNIS THE MENACE

PEANUTS

CALVIN AND HOBBES

GARFIELD



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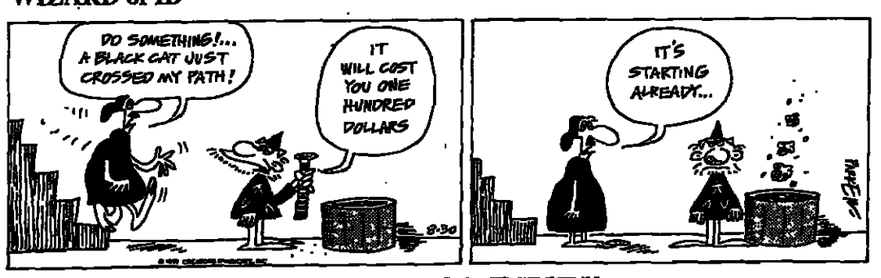

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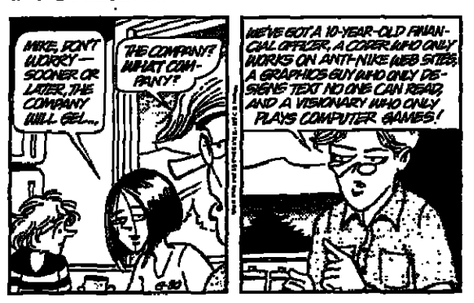

BLONDIE

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Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

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Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: HIS

(Answers Monday)

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Answer: What he did when the gimps were on the house – PAID THE PRICE

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DAVE BARRY

Hippocrates Knows Best

MIAMI — I turned 50, which is really not so old. A lot of very famous people accomplished great things after 50. For example, it was during the post-50 phase of his life that the brilliant physicist Albert Einstein produced the vast majority of his drool.

But still, when you're 50, you're definitely "getting up there," so I decided I'd better go in for my annual physical examination, which is something I do approximately every seven to nine years. I keep my physicals spaced out because my doctor, Curt, who is ordinarily a terrific guy, has a tendency to put on a scary rubber glove and make sudden lunges at my personal region.

Also Curt has some ladies who work with him — and again, these are charming people — who belong to some kind of Druid-style cult that has very strict beliefs under which they are not allowed to let you leave the office with any of your blood. They get you in a chair and distract you with charming conversation while they subtly take your arm and insert a needle attached to a long tube that goes outside to a 50,000-gallon tanker truck with a big sign that says "BLOOD." When they're done draining you, they don't even have to open the door to let you out; they just slide you under it.

□

Somehow I got through my physical O.K. But then, about a week later, Curt was working late one night at his office — perhaps going through the Official Catalogue Of Supplies For Doctor's Offices, which lists needles in sizes ranging all the way from Extra Large to Harpoon, as well as an extensive selection of pre-1992 magazines with the last page of every article torn out — and he happened to glance up at his framed copy of the Hippocratic oath. This is an oath that is named after an ancient Greek philosopher, Aristotle, who is considered the Father of Medicine because he invented the following phrases, without which modern medical care would be impossible:

"Do you have insurance?"

"We're going to have to run some tests."

"You may experience some discomfort."

"We're going to have to run some more tests."

"The tests were inconclusive."

Anyway, Curt was looking at the Hippocratic oath, which all doctors are required to take, and he noticed the sentence that says:

"And I swear by my Lexus that if a person comes into my office for any reason, whether it be for a physical examination or simply to deliver the mail, I will find something medically wrong with that person."

And so Curt, realizing that if he let me get out of my physical scot-free, burly agents of the American Medical Association Ethics Unit would come and yank his stethoscope right out of his ears, called me and told me that the cholesterol level in my blood was a little high. I tried to argue that this was no longer my problem, since all my blood was in the possession of the Druid ladies, but Curt insisted that I had to change my dietary habits.

To help me do this, Curt sent me some informative medical pamphlets that explain to the lay person, via cartoons, what cholesterol is. Technically, it is a little blob-shaped guy with buggy eyes and a big nose who goes running through your blood vessel, which is a tube going to your heart, which can be seen smiling in the background. Sometimes the blob guy gets stuck, causing him to get a grumpy expression and have a balloon come out of his mouth saying, "I'M STUCK." If too many cholesterols get stuck, your blood vessel looks like a New York subway train at rush hour, and your heart gets a sad face, and surgeons have to go in there with a medical device originally developed by Roto-Rooter.

My doctor, Curt, insisted that I had to change my dietary habits.

To prevent this from happening, you need to be very careful about your diet, as follows:

FOOD GROUPS YOU CANNOT EAT: Meat, milk, cheese, butter, desserts, processed foods, fried foods, foods with skins, restaurant foods, foods your mom made, foods from packages, foods shown in commercials, foods containing flavor, foods being carried around on trays at wedding receptions, appetizers, snacks, munchies, breakfast, lunch, dinner, take-out, drive-thru, pina coladas, any food with a phrase such as "GOOD LUCK HERB!" written on it in frosting.

FOOD GROUPS YOU CAN EAT: Water (unsweetened), lowfat celery, wood chips.

□

This diet has been difficult for me to follow. The worst part has been giving up cheese. I love cheese. I'm the kind of person who, merely while rummaging through the refrigerator to see what else is available, can easily gnaw his way through a hunk of cheddar the size of the late Sonny Liston. But I've been pretty good so far, and I'm hoping that my blood cholesterol will be a lot lower, if I ever develop blood again. Curt wants me to come back in and have it checked. He'll never take me alive.

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The Loopy, Lovable World of Thelma Holt

International Herald Tribune

LONDON — Successful producers usually mean limousines and luxe. Thelma Holt once hitched a ride home in a dust cart after a first night and lives in a small crowded flat. "I don't want a house in the country. I can stay at someone else's," she said in the heart of London's theater district at her office, which once belonged to Ivor Novello, an operetta composer and actor with a profile of pure cut glass.

Holt, who has vivid red hair and the gaze, at once intense and distracted, of a crystal-ball or tarot-card

Holt's record as a producer for the London stage is impressive in its daring and scope.

MARY BLUME

reader, formed her own production company in 1990. It has put on 18 plays, including a multinational "Peer Gynt" with the Japanese director Yukio Ninagawa, whose work she has presented in England and on the Continent for 11 years, and the prize-winning version of "A Doll's House" whose Broadway closing she will attend on Monday before flying off to Tokyo to meet with Ninagawa, whose "Hamlet" in Japanese she will bring to London's Barbican next season.

"A Doll's House," a huge surprise hit in both London and New York, is typical Holt. "I don't like the original play," she says, and also she never found the character of Torvald developed enough either to make sense or to attract a first-rate actor. Having had experience from her acting days of playing the role of Mrs. Linde ("really, she whinges for Norway, she's such a boring character") as well as plenty of ideas, she discussed the play with the writer Frank McGuinness on a flight from Tokyo. "It's a 14½-hour flight and by the time we got off the plane he was ready to do it."

The adaptation worked beautifully and Holt had already recruited her Nora, Janet McTeer, who played in "Much Ado About Nothing" for Holt in 1993 and who stands 6 feet, 2 inches (188 centimeters) tall. After a few drinks in a pub both women decided McTeer was only 5 feet 2 and the perfect Nora. Like many actors McTeer has come to refer to Holt as a second mother ("Her mother-mother says I can have her," says Holt).

In addition to her own productions Holt is head of the drama panel at Britain's Arts Council, a non-paying job to which she gives two and a half days a week, and head of touring and commercial exploitation at the National Theatre, which means that this autumn she will produce, for the National's French season, the Comedie Francaise in "Les Fausses Confidences" and Peter Brook's version of Beckett's "Oh! Les Beaux Jours" with Natasha Parry. Recently Holt was featured in an article on England's most powerful women.

"I don't want power, I just want my own way," she murmurs. She runs a tight operation seconded just by a young man named Mal and a young woman named Sweetpea and is known for canny loopiness and prodigious generosity.

"She is engaged wholeheartedly and thoughtfully in her work and I admire her tremendously," Vanessa Redgrave wrote in her memoirs. Of Redgrave Holt says, "She's lovely. Barmy, barking but getting calmer as she gets older."

What Holt wants is not money or fame but to be adored. "It's very necessary. Not worshiped but just loved. That's the actor in me." She goes to endless lengths for her companies and, addicted to talent, knows she is easy to manipulate. "I'm quite happy to be manipulated, I can smell it a mile off. I'm indulgent with talent but then I think it's only mediocrity that doesn't recognize talent. The mediocre only recognize each other."

A student at the Royal Academy of Dramatic Arts at the same time as Albert Finney and Peter O'Toole, she played a lot of Shakespeare including a nude Lady Macbeth ("everyone was nude in the '60s"). She started in production in two theaters that soon won an international reputation: the Open Space, which she founded with Charles Marowitz in 1968, and the Round House where, she says, she had a wonderful board, very supportive and rich. "Robert Maxwell used to interfere but everyone else was all right."

Holt has made three parachute jumps and three marriages. The word most often used about her is eccentric but she says she is merely practical. "There's no rhyme or reason to what I do. I just do it because I want to do it. I am prepared to do my thing and sometimes people find that eccentric."

She hailed the passing dust cart because she couldn't find any other transport; she keeps champagne in her washing machine because she is short of space and doesn't know how to work the machine anyway; if she failed to recognize one of her husbands in an old film it was because that was a long time ago. A fervent if unorthodox Catholic, she lights candles at every church she passes. "I pray a lot, a lot. And I expect results. I don't ask for a good first night. I pray for strength to cope with a bad one."

She has 14 regular investors, including a woman from San Francisco and one of London's most successful producers. She refuses to hire assistant directors — "the director can do it if he pays for it" — and she does her own casting with the help of Sweetpea. "I'm not a big producer. I'm a bit of a bucket-and-spade operator," she says. Nonetheless, her record is impressive in its daring and scope. She brought Georgia's Rustaveli theater from Tbilisi to London, as well as the Japanese, and Ariane Mnouchkine's "Les Atrides." She says she doesn't speak foreign languages although she can negotiate in French and has more Russian than she lets on. "I understand money in other languages, and I know how to cost things." She had just countered a Japanese lighting director's demand for 16 hours' work by offering eight. "We will settle for 12, I know from having seen the show. He will ask for more, I will offer less, and we'll meet in the middle of the Rialto and everyone will be happy."

As a producer she's a one-off. "I am not a producer," she insists, "I am a not-working actress. My premise is do only what you want, don't do something that you think might be a good idea. It's got to be irresistible which means it's got to be my idea."

She refuses to put her cast through long runs or weekday matinees. "If we treated our actors as we treat our horses, things would be a lot better. Look after them, feed them well, take care of them, cosset them, don't pay them too much but do what needs to be done for them."

In the cramped office above Sweetpea's head there are rows of photographs of actors — Fiona Shaw, Richard Harris, the Redgrave girls, as Holt calls them. Mark Rylance, Holt with the Oasis singer Liam Gallagher and Holt as Lady Macbeth in see-through veiling. There are quotations from such sages as Brook and Schopenhauer, and one that goes, "You play. You win, you play. You lose, you play." It is signed Thelma Holt.

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PEOPLE

THE Venice Film Festival has paid a moving tribute to **Marcello Mastroianni** with a film souvenir produced by his longtime companion, **Anna Maria Tato.** The festival showed the full three-and-a-half-hour version of "Mi ricordo, si, io mi ricordo" ("I Remember"), a shortened version of which was screened this year in Cannes. Tato, who lived with Mastroianni for 22 years, also announced the creation of a Mastroianni Prize to be awarded alternately in Italy and France — the two countries where the couple made their home. The Venice festival is dedicated this year to Mastroianni, who died in December. Tato filmed Mastroianni, already seriously ill, in the rugged scenery of northern Portugal where he went for his last role, in a film directed by the Portuguese director **Manoel de Oliveira.** "Today, I am 72 and I don't feel old," Mastroianni says in the film. "When I was young, life seemed eternal . . . and then when one reaches a certain age, one realizes that it has gone by like that: bzzzzz." The festival, which opened Wednesday, will also pay tribute to other Italian film giants including **Roberto Rossellini,** who died 20 years ago, and **Marco Ferreri** and **Giuseppe de Santis,** who died more recently.

□

Britain's **Prince Andrew** and his girlfriend of six months have split up because his ex-wife, **Sarah Ferguson,** kept interfering with the relationship. London tabloids reported Friday. "Fergie has managed to scupper it as she has with all his girlfriends," The Sun quoted a friend of the prince as saying. **Henriette Peace,** 29, a researcher for the BBC, reportedly decided to leave Andrew after he joined Fergie on holiday in Tuscany earlier this month — after promising to take Peace to Barbados.

□

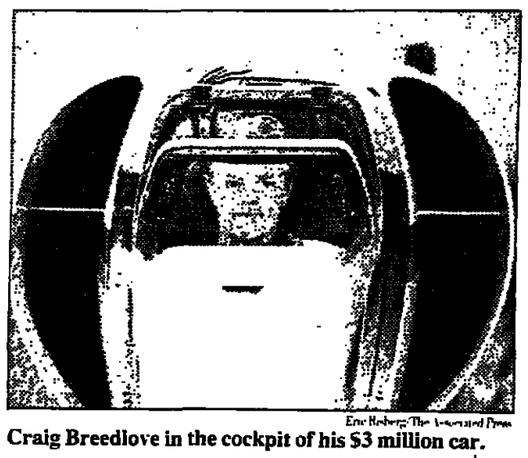
He has set land-speed records before, and now **Craig Breedlove** is taking his $3 million rocket-powered car to the Black Rock Desert near Reno, Nevada, to try to do it again. Breedlove, 60, was the first to surpass 400, 500 and 600 miles per hour. He will begin time trials Sept. 6 in his attempt to set another land-speed record. Competing with him will be Britain's **Richard Noble,** also with a rocket-powered car.

□

The German writer **Guenter Grass** has set up a foundation to promote understanding of Gypsies and their culture. The foundation will be headquartered in Luebeck, northern Germany, and is due to be inaugurated officially on Sept. 28.

□

Roni Size with **Reprazent** beat stiff competition from the **Spice Girls** and **Oasis** to win what is seen as Britain's top music award. The 1997 Mercury Music Prize for Album of the Year was awarded at a London ceremony to the collective of musicians for "New Forms," a mixture of '70s funk and '90s rave. The judges acclaimed **Size** as the leading example of "the DJ as artiste and composer."



Eric Risberg/The Associated Press

Craig Breedlove in the cockpit of his $3 million car.

□

Buddy Guy did it. So did **B.B. King.** Now, **John Lee Hooker** is set to open his own blues club in San Francisco. John Lee Hooker's Boom Boom Room will open Oct. 3, the San Francisco Chronicle reports. "When I ain't working, I'll be there," said Hooker, who celebrated a birthday last week that he denied was his 80th. "I'll greet the people and play the blues." King has clubs in Memphis and Los Angeles. Guy owns a club in Chicago. Hooker has two Grammys, is in the Rock and Roll Hall of Fame and has received a Lifetime Achievement Award from the Blues Foundation.

□

There was no reason to doubt the origin of a handwritten **Emily Dickinson** poem purchased for $24,150 by her hometown library in Amherst, Massachusetts. The words "Aunt Emily," penned on the back, smacked of authenticity. But the library curator wondered which relative wrote them, setting off a chain of inquiry that has exposed the poem and manuscript as shams by one of this century's most clever forgers, according to the Jones Library and Sotheby's auction house. The breakthrough came when a Dickinson collector said he had been offered the poem by **Mark Hofmann** in the mid-1980s. Hofmann, then viewed as a legitimate documents dealer, was later convicted of two pipe-bomb murders and sent to prison for life. "He was one of the most skilled forgers in this century," said the curator, **Daniel Lombardo.** "The lengths he went to fool all the experts were extraordinary."

□

An Italian woman won the job of gravedigger at a cemetery near Florence on Friday after all the male candidates for the post fainted. **Rossana Giusti** was the only candidate for a rerun of the practical test — exhuming a body — after 10 men trying out for the job all keeled over. The Chiesanuova cemetery in the town of Prato, near Florence, had been seeking new undertakers for some time. Its problems in finding suitable staff had been compounded by an error in the official job ad, which called for "necrophiliacs" instead of "necrofori," or gravediggers.

□

A Marvel Comics editor, **Mark Gruenwald,** poured his life into his work. He did the same in death. A 12-book comic series that he created, "Squadron Supreme," was reissued in one volume this week — printed with ink-blended with his ashes. "Yes, the pages you are about to turn contain the actual particles of Gru," his widow, **Catherine,** wrote in an introduction. Gruenwald was senior executive editor at Marvel when he died of a heart attack on Aug. 12, 1996, at the age of 42. His will requested that he be cremated, and "for his ashes to be mixed in with the ink during the printing of a comic book," she wrote. The ashes were mixed at a printing plant in Canton, Ohio. "This is something that he really wanted because he really loved comics," said Marvel's editor in chief, **Bob Harras.** "He wanted to be part of his work in a very real sense."

250,000 Vintage Disks Go on the Block

The Associated Press

EAST BETHEL, Minnesota — A collection of 250,000 vintage vinyl records featuring Billie Holiday, Frank Sinatra, Benny Goodman and other jazz greats will be auctioned this weekend, the trove of a former record store owner who locked the disks away in his basement in 1951.

Most of the 78-rpm records are in mint condition, sealed in their original wrappings. Charlie Parker, Louie Armstrong, Gene Krupa and Duke Ellington are represented. Along with the jazz giants there are classical and children's albums share space and country artists like Tex Ritter and Gene Autry.

The collection was amassed by Hart Callender, who started his first record store in 1928. He shut his business and stashed the records after he was injured in a traffic accident on New Year's Eve 1951. Callender died in 1996.